SENATE—*Monday, July 30, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate will be led in prayer by the Senate Chaplain, the Reverend Richard C. Halverson.

Dr. Halverson, please.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

As we begin our prayer this morning, let us remember Senator BILL ARMSTRONG, rushed to the hospital Wednesday evening but now doing very well and will soon be home. Father, we commend him and Ellen to Thee and ask Your blessing upon them.

Search me, O God, and know my heart: try me, and know my thoughts: And see if there be any wicked way in me, and lead me in the way everlasting.—Psalm 139:23, 24.

Almighty God, Lord of history, Ruler of the universe, in substantive ways the destiny of the Nation and all its parts—States, counties, cities, and citizens—rests with the United States Senate. Help the Senators comprehend this monumental responsibility. Be present in this place today, this week, and enable those who labor here to respond with truth and justice to this inordinate burden. Give to the Senators, their leaders, and their staffs wisdom and courage to do what is right and equitable.

We pray in Jesus' name, Lord of life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, today, following the time for the two leaders, there will be a period for morning business, not to extend beyond 1 p.m., with Senators permitted to speak therein for up to 5 minutes each.

At 1 p.m. today the Senate will resume consideration of S. 137, the Campaign Finance Reform Act. When the measure is considered today, it is expected that three amendments will be offered by Republican Senators. Rollcall votes are anticipated relative to those amendments.

At least two votes will occur today sometime after 7 p.m. There will be no rollcall votes prior to 7 p.m. It is expected now that there will be two rollcall votes sometime after 7 p.m. with the time to be determined by me following consultation with the distinguished Republican leader. The third amendment, it is expected, will be voted on the first thing tomorrow morning, again at a time to be determined following consultation with the Republican leader.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the time of the two leaders will be reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business until the hour of 1 o'clock p.m. with Senators permitted to speak therein for up to 5 minutes each.

Mr. MOYNIHAN addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York [Mr. MOYNIHAN] is recognized for not to exceed 5 minutes.

INTERIM REPORT ON SOCIAL SECURITY

Mr. MOYNIHAN. Mr. President, I rise to inform the Senate that on Friday an interim report was issued by the 1991 Advisory Council on Social Security. I think it is important that we note this unusual event, an interim report from a council that is intended to provide a full report next year in that quadrennial pattern that has been in place for 20 years now.

The more disturbing fact is that this interim report is plainly political and painfully misleading.

Mr. President, the report appears at the request of the Secretary of Health and Human Services, but we may confidently assume that it is the Office of Management and Budget that is the acting party. The report appears on the eve of the time when this Senate will vote on returning the Social Security payroll contributions to a pay-as-you-go basis and cease using the present surplus as if it were general revenue.

I announced at the end of last December that I would offer this measure. In February, the interim report was requested, and it has come out just in time for the vote which will be offered on the debt ceiling extension.

The situation, Mr. President, is understood, I think, by the Senate and increasingly by members of the media and the public. It is that we are bringing in an enormous surplus from the payroll levy, a levy under the Federal Insurance Contributions Act, FICA, and using those moneys as if they were general revenues. They were designed for benefits and benefits only. They are being used for everything, as the phrase was once said, from paper clips to battleships. This is a misuse of the funds.

At one point earlier, I think it was in February, if I recall correctly, the distinguished Senator from Pennsylvania [Mr. HEINZ] and I were being interviewed on the "Today Show." I had cited an editorial in the Rochester Democrat and Chronicle, which said there was a word for what is going on, thievery. And the television interviewer asked Senator HEINZ, did he agree with the characterization of what is going on here as thievery? And he said, in his inimitable manner, "Certainly not. What is going on is not thievery; it is embezzlement."

Well, there is a distinction and I will accept it. But "embezzlement" is my colleague's term. He is on the Finance Committee with me. And it is to put an end to this embezzlement that I hope we will be voting on that issue within the next 2 weeks at some point.

Hence, the not very coincidental appearance of a document from the administration that says, "Don't touch that money. We need it for other unnamed purposes," not for benefits.

To give you a sense of the dimension, Mr. President, the time is now well past when the surplus was rising at only $1 billion a week. We are approaching the $2 billion a week period. It is the largest flow of funds in the

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

history of public finance, all being used to disguise the deficit, all being misused on things other than benefits.

A year ago, on March 1, 1989, we presented to the President pro tempore, the Speaker and the President of the United States, the report of the National Economic Commission. We proposed at that time that we go back to a truly balanced budget, such that this money, this surplus in trust funds, would buy down the privately held public debt. That automatically becomes an increase in savings. That is the only way you can truly save the money.

But we Democrats also said, sir, do not suppose that a Democratic Congress is going to continue to allow a $3 trillion debt to be serviced, to have the interest paid for, by a payroll levy for pension benefits. "Obscene" would be the only word for that. We said balance the budget and save the money, or go back to pay-as-you-go.

The budget was not balanced. Mr. President, it is not being balanced. The President has never proposed that it should be balanced. He has proposed, instead, to continue to use pension funds as if they were tax revenues. So we are going to have this vote.

Sir, this is an issue that affects 132 million workers, people who get paid by the hour. These are people who count their pennies, people who know what is in their paychecks. As the distinguished President pro tempore would know, we have gone through the most extraordinary generation in American economic history. Average weekly wages today, sir, are lower than they were in 1959. In the history of the American Republic there has been no such experience—30 years. They went up a little bit, they are back down. Thirty years have gone by and nothing has happened.

They are lower because the Social Security contributions are higher. They had been flat, anyway, but they are, in fact, lower by $5 or so. And we are proposing to give back to those workers who have not seen an extra dollar in their pocket, give back the money that they are putting into pension contributions, that is being taken by the Treasury and used for other things—to pay interest to the Japanese. The founders of the Social Security System would have been appalled.

More important, they would have not believed the misrepresentation in this report on page 23, in which it says:

> Under pay-as-you-go financing, the payroll tax rate would need to rise rather quickly when the baby boom retires between about 2010 and 2030. Under current projections, the OASDI, Old-Age Survivors Disability Insurance, taxes needed to match the pay-as-you-go cost, would have to rise over the 20-year period by about 50 percent. And that is the news: Pay-as-you-go means, out there, the year 2030 or so, a 50-percent rise.

The people who founded the Social Security System would not have permitted such a misrepresentation. They knew that this is a complicated subject. There has to be good faith. People have to know they are being dealt with fairly, honestly.

Of that 50 percent increase in that 20-year period, half of the increase would simply be bringing the Social Security payroll tax rate up to what it now is because we would have cut it back. Not to make that clear is dishonest. I use that word—I am conscious it is a strong word. It is dishonest. And the other half would have to be done in one way or another, regardless, under the present system or under the system which I will propose.

If you would like a contrast, sir, with integrity in these matters, I offer the testimony last February of the distinguished honorable chairman of the Federal Reserve, Dr. Alan Greenspan. This was a hearing in the Finance Committee on this issue.

What is going on at present, when the moneys are not being saved but are used for other Government purposes? What would be the effect if they were truly saved, by having a balanced budget and buying down the privately held debt?

I asked Dr. Greenspan this question:

> Can I ask you, if we continue to use the Social Security surplus as if it were general revenue and spend it on current consumption of Government, or if we just took away that surplus by cutting back the tax rate, would there be any real economic difference to our situation in the year 2030?

Here is Dr. Greenspan's response. One word. "None."

There is an honest answer.

In the year 2017 outlays for Social Security will exceed the income from the payroll contributions. At that point the Federal Government, under the present arrangements, can borrow the extra money and pay it, or it can raise general taxes to get the revenue, or it can raise the Social Security contribution rate to get the revenue. Because the revenue will not be coming in from the current 6.2 rate. There is no difference.

To suggest that, indeed, a 50-percent rise would be required is disingenuous, at best. I am glad Frances Perkins is not around to see it. I am also glad that two members of this panel dissented most emphatically and firmly, and they are representatives of the AFL-CIO. In the first case, the very able young director of the Department of Employee Benefits, Karen Ignagni of the AFL-CIO headquarters; and then the most able and influential labor, trade union leader, John J. Sweeney, who is international president of the Service Employees International Union.

They know they are dealing with working people, people who get paid by the hour and have not seen hourly wages increase in 25 years. Real median family income in this country is just now getting back to where it was in 1973. The way we maintain family income is for our wives to go to work. As more and more and more wives go to work in the United States, fewer and fewer have stayed in the labor force in Japan. We have more women in our labor force than the Japanese do. And understandably so. They have had more capable public finances; they have more responsible Government in that regard.

From the beginning, it is well remembered that the Social Security Program was proposed by the Secretary of Labor in the Roosevelt administration, Frances Perkins. And labor is always represented on these quadrennial commissions, and rightly so.

I regret there is now a body of opinion in Washington—it is the sort of thing that grows up—that looks at this surplus and says, we could return it to workers who need it, or maybe there will be a Democratic President again and then we can think of a wonderful new program to spend it on.

That was an understanding 20 years ago, or 30 years ago, but how can you tell people who have not seen an extra dollar in their pay in 30 years that I need your money because I am going to think of something wonderful to do with it? I will have a program which will hire a lot of very able people—not you, not you. The old Latin query which I believe the Presiding Officer would know is used in American common law, qui bono. Who benefits?

I see the gavel is about to come down. I see that the very able Senator from Nebraska would like to speak. I have said what I have to say. I yield the floor and thank the Chair. I look forward to hearing the address from my friend, Senator KERREY.

Mr. KERREY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. KERREY], is recognized for not to exceed 5 minutes.

EXTENSION OF MORNING BUSINESS

Mr. KERREY. Mr. President, I ask unanimous consent that the period of morning business be extended until 1:15 and that I be permitted to speak for not to exceed 15 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. The time is extended for morning business until the hour of 1:15 p.m. and the Senator from Nebraska is recognized for—how long does he wish to speak?

Mr. KERREY. Fifteen minutes.

The PRESIDENT pro tempore. Not to exceed 15 minutes.

SOCIAL SECURITY

Mr. KERREY. Mr. President, let me first of all comment on the statement of the Senator from New York previously on Social Security. I have listened and have learned a great deal about the history of Social Security, the organization of it as the Senator from New York has presented it to this body.

I find myself in full agreement with his proposal to reduce the FICA tax, withholding tax on working men and women. I think the most compelling question that he asks, not just of this body but of all America, is the one of by what right and for how long are we going to make that reduction a peculiar burden on those who get paid by the hour?

In a lengthy article the Senator from New York has written recently, he presents to the American people that we are now required to collect taxes from the people west of the Mississippi River for one single purpose and that is simply to pay the interest on the national debt. Increasingly, we are going, as the Senator from New York has proposed, to people who get paid by the hour, people for whom we are constantly trying to describe new programs to help, we are constantly trying to figure out how to provide incentives for these individuals, and then we take away their incentives by increasing their taxes. It seems to me, Mr. President, that we are penalizing their behavior of trying to increase their wages by increasing their taxes.

I think, to that extent, the supply siders are correct, that if you increase the tax on working people, there is a discouragement, that tends, in fact, to run at cross purposes with another very important program the Senator from New York worked on and that is the Welfare Reform Act of 1988 where we are trying to design a way whereby people who are on welfare, on AFDC, food stamps, or on the other welfare programs, can get off. We provided extended health care and child care benefits to try to reduce the barriers, and here with these wage taxes we raise the barrier on January 1. We are discouraging them from doing the very thing that all of us talked about to try to have in the country.

With the wage force growing at 1.2 percent a year in the 1990's, this is not just a proposal to keep Social Security solvent and to keep us from digging in and using now $2 billion a week for other purposes. This is, I think, in fact, a very important economic strategy, a part of a strategy for America that goes beyond just restoring what I think is perhaps the most important program this Nation has ever established, and that is Social Security.

So I applaud the Senator from New York for coming back constantly and reminding us with an urgency that I think enables us to get over this sort of inertia of continuing the status quo.

AMERICA'S SAVINGS AND LOAN PROBLEM

Mr. KERREY. Mr. President, there has been enthusiasm lately for proposed legislation which would create a special Savings and Loan Commission. This group would investigate, analyze, and explain to the American people how we got in this mess.

As valuable as a historical evaluation might be, it is less important than knowing what is going on right now. Let me suggest that we could probably predict what such a Commission would find without doing any additional work. I do not object to such a Commission; I am just skeptical about its value to the taxpayers.

I am just as skeptical about getting much benefit from going after the crooks. It does make you angry watching smug former executives prancing around while the taxpayers pick up the tab for their gambling. However, we must be careful not to promise too much; something tells me not to get overly optimistic about the possibility of large amounts of cash rolling into the Treasury from this source.

Mr. President, I am going to ask unanimous consent to include in the RECORD a report by Mr. Bert Ely that estimates the loss due to crime. Mr. Ely has carefully analyzed the problem and calculates that less than 3 percent of the total loss is attributable to criminal activities.

Our anger should be sustained long enough to make certain that anyone who stole from the taxpayers is brought to justice. We should take care, however, that our anger does not blind us to the possibility of reducing further losses right now.

Mr. President, a more worthwhile object of our attention is this: Maximize the value of assets, franchises, and operations we are likely to seize and minimize the cost of the expenditures including the financing charges.

If we are trying to minimize the current cost to the taxpayer and maximize the value of assets, we need to take a different approach than the one being used. I believe much more could be done to reduce the overall cost to the taxpayers if we were less concerned about what happened yesterday than with what is going on right now.

What is going on right now is that we are being given information by the bureaucracies charged with administering the programs after they have filtered it for political considerations.

What is going on right now is the Board responsible for policy decisions is composed of five people dominated by three men who are too busy to give more than an hour a week to the task.

What is going on right now is that decisions are being made about expenditures, policies, and deals, over which the citizens have very little oversight or control. The decisions are made with one eye on potential adverse political reactions and one eye on efficiency.

Most significantly to the taxpayer, what is going on is the Resolution Trust Corporation is failing to control the long-term cost of the rescue. The procedures used are reducing the value for S&L charters. The financing methods are increasing the interest costs. Paradoxically, because there is fear of accusation of political favors, decisions are not being made which maximize the return to the taxpayers.

Mr. President, the condition which should cause all of us in the legislative branch to want to make changes in current procedures is the fact that we know little about what is being done right now. Let me illustrate how little we know by asking my colleagues if they feel comfortable being able to explain to their taxpaying citizens and voters how their money is being spent.

To get specific let me ask if you noticed the report in the July 24 Wall Street Journal which highlighted the status of the deficit through the month of June? June is the month when we normally run a surplus because it is the deadline for quarterly corporate tax payments.

Unfortunately, corporate tax receipts were only $18.57 billion, down from $20.88 billion last year. Overall revenue—from all those good taxpayers who President Bush now says are going to have to pay a little more—was up from $108.25 billion last year to $110.6 billion.

Normally, $110.6 billion would pay all the bills in June. It is one of the few months when the U.S. Treasury can make that claim. However, this year our expenses were up, too, from $100.46 billion last year to $121.84 billion this year. Thus, instead of running a surplus of $7.79 billion or more like we did in 1989, we ran a deficit of $11.22 billion.

I do not have to tell you what this means. We will be borrowing more money, importing more capital from the rest of the world to pay our bills, burdening tomorrow's generation with the paycheck on our current needs, and we will be asking those people who get paid by the hour to shoulder the largest piece of the burden.

You have all heard that before. You have probably explained it at home before and are accomplished in blaming it on someone else, as I am.

This year, however, things are going to be different in those townhall meetings. This year President Bush has asked us to consider a tax increase to

cover our costs. And, our summiteers will be presenting us soon with a list of spending reductions from Medicare to defense to farm program payments. These will be as difficult to explain back home as the tax increase the President now says is necessary.

And this year there is an added wrinkle which we will have to explain: The expenditures for President Bush's S&L program. In the month of June we spent $15.82 billion on that program which is why we had to borrow so much additional money.

Mr. President, I ask my colleagues: What are you going to tell your taxpayers when you are asked how this money was spent? Will you answer in general terms about crooks and swindlers? Will you describe the geographical inequities shifting the audience's attention to taxpayers in Texas and California, who are just as outraged by this situation as all other Americans?

Or will you be able to answer with the same precision that you could if the question was about some other spending program authorized by Congress. If you are asked about defense, or the space program, or the farm program, or aid to schools, you should be able to answer precisely. You may disagree with the way the money is spent; you may have different priorities; but you will not have to scratch your head and wonder where it's all going.

Will you confidently declare that we got top dollar for our expenditures? Do you know enough about the policies being developed at the RTC and the OTS to trust your own answers?

To illustrate further how Congress and the American people are in the dark allow me to describe a press conference held July 25 by Mr. Timothy Ryan, the head of the Office of Thrift Supervision. This was the quarterly report on the status of America's savings and loan institutions and the President's bailout program.

"Things are looking a little better," Mr. Ryan said. "We have got a lot more work to do, but things look a little better this year." He said that the 2,505 institutions not in the Government's hands had trimmed their losses in the first quarter of 1990, and he attributed that to the bailout effort. He said the institutions not under Government supervision posted a loss of $271 million, a substantial improvement in light of the total $6.2 billion that the industry lost in the previous three quarters. For the first 3 months of 1989, the industry had a loss of $10.3 billion.

Although Mr. Ryan went on to say that "he was not going to be Mr. Rosy Scenario" and to emphasize that it is still "a very, very tough situation," the impression given was that we are making great progress. Things are a lot better than a year ago. Mr. Ryan's presentation to the American people was reinforced by the earlier testimony of Secretary Brady before the Senate Banking Committee; he continues to assert against all other predictors that the total cost will be less than $120 billion, without interest.

Mr. President, this is not just the presentation of the Director of the Office of Thrift Supervision. This must be seen as the presentation of the executive branch to the legislative branch, and we in turn must now explain what is going on to the people in our States.

Given what Mr. Ryan withheld from his presentation, I must observe that the manner and detail of Mr. Ryan's presentation carries the unmistakable odor of something which has been intentionally covered with the film of political fears. Here is what Mr. Ryan, on behalf of the executive branch, did not tell us. Here is a short list of things which had previously been disclosed in these quarterly reports, but was left out of last Wednesday's analysis:

First, he did not tell us how much money was lost by the 350 thrift institutions which are operated by the taxpayers. His defense: It would be misleading to include the Government-run thrifts because making money is not the goal of the RTC. This is a weak rationale for the following reasons:

These S&L's are all taking deposits that are guaranteed by the taxpayers; their losses reflect on the entire industry.

The billions of dollars in subsidies that went into the 202 institutions which have been sold were not subtracted from the year to year numbers. This inclusion makes the industry look much better than it actually is. So, when taxpayers' money helps to make the numbers look good, it is included. When it produces the opposite, it is excluded.

Second, he did not tell us how many loans have been foreclosed because of nonpayment.

Third, he did not tell us how many loans are past due.

The full and honest evaluation of the possible costs associated with 621 institutions that are losing money, low on capital, and/or targeted for takeover is also lacking. Mr. Ryan merely states the obvious: The costs could escalate if the economy turns down, that is, interest rates go up, GNP growth slows.

Mr. President, I believe the Bush administration is underestimating the total cost of the problem. I believe they are intentionally understating the costs and the full range of options available to pay those costs.

Worse, the American people are not being given the full story. Information is being withheld. They are being given a political assessment of the current problem. Long-term policy considerations are being rejected for short-term political gain. Instead of telling us about even more difficult expenditures, we are told things are tough but improving.

The result is that trust is declining. The people are not going to give us permission much longer to appropriate in blank check fashion the money needed to solve the problem. And the reason for this is simple: All they have heard is political accusations and political statements designed to protect the interests of the politician.

Through investigative journalism and not from Government reports they are learning about deals which make them angry and sick. They read about a man who was indicted for a felony and barred from doing business in Alabama getting $1.45 billion in taxpayers' money after putting up $1,000 of his own money. They read about the potential of assets being sold at bargain prices to the very people who defaulted on loans.

They read about a California institution offering $153 billion for 53 branches of 1 failed institution and after the Government said "no," buying all of the branches for $60 million. They are losing confidence that it is being done right.

The pathway to making this bailout work, to restoring the trust of the American people, does not lie in the direction of looking for someone to blame. I am not happy with the pace of prosecution in the Department of Justice and am angry that shoplifters are pursued more vigorously than S&L crooks. However, if we only froth at the mouth and try to outdo one another in proposing more dire penalties for offenders, we run a serious risk of making the situation worse.

The solution is not to examine what went wrong, although that may be a worthwhile exercise for other reasons. We might be able to learn what we can do to avoid the same situation in the future, although I suspect we will discover what we know now: We were all a little negligent while some openly encouraged the greed and avarice which encouraged gambling.

Mr. President, I believe the solution is to bring in an independent board with a strong chairman and give them the authority for making policy decisions. President Bush needs to find someone like Admiral Watkins or Bill Riley or Bill Seidman, who can develop a relationship of trust with the American people. President Bush needs to shift the authority away from the Secretary of the Treasury, who is a fine man, but is too concerned with political considerations and too busy with other problems to do this job right.

I have proposed legislation which will simply replace the current policy board with one with the needed inde-

pendence and accountability. This will enable us to improve the environment between the Federal Government and the American people. With a recession building in many Northeastern States and with an economy growing at less than 1.5 percent a year and with America's economic health in question, there is an urgency to act to restore trust.

Mr. President, we are spending more money than is needed. At the same time we are creating capital shortages for housing and commercial development. We are putting pressure on interest rates and are reducing the market value of institutions we then are trying to sell.

It would be a serious mistake for the Bush administration to be so frightened by how the S&L problem might damage them politically, that time is wasted on the wrong problems.

I believe that much more could be done to reduce the overall cost to the taxpayers, if we were less concerned about what happened yesterday than with what is going on right now. Americans have ample opportunity to witness politicians polishing their skills at avoiding responsibility—they do not need, nor can they afford, to see us doing so when discussing the savings and loan issue.

In summary, Mr. President, there has been a lot of enthusiasm recently expressed by the Nation's Governors for a special savings and loan commission and legislation that would create it. This group apparently is going to investigate, analyze and explain to the American people how we got into the mess we are in now.

I suggest, Mr. President, that as valuable as that historical evaluation might be, it is less important now than knowing what is going on today, right now. Let me suggest that we can probably predict, in fact, what a commission would find without doing any additional work. While I do not object to such a Commission, and I intend to vote for the creation of it, I am just skeptical about its value to the taxpayers.

I am just as skeptical, Mr. President, though I am enthusiastic about doing it, I am skeptical about getting much benefit for going after the crooks, although it makes me angry and it makes my constituents angry, the people who have sent me here, watching smug, former executives prancing around while the taxpayers pick up the tab for their gambling.

I think we have to be careful as representatives not to promise too much. Something tells me not to get overoptimistic about the possibility of large amounts of cash rolling into the Treasury from this source.

Mr. President, I ask unanimous consent to print in the RECORD a report by Mr. Bert Ely that estimates the size of the loss in this venture due to crime.

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

CRIME ACCOUNTS FOR ONLY 3 PERCENT OF THE COST OF THE S&L MESS

(By Bert Ely)

Claims that crooks stole a big chunk of the money that the S&L cleanup is going to cost is pure hogwash. The accompanying analysis, titled: "Where Did All The Money Go?," suggests that crime, at most, cost insolvent S&Ls $5 billion, or approximately 3% of the total cost of the FSLIC mess. This analysis presents what are admittedly imprecise estimates of the components of the insolvency loss that has built up in insolvent S&Ls. This analysis, however, is the first that anyone has prepared which attempts to reconcile known components of the FSLIC cleanup cost with realistic estimates of the total present value cost of the cleanup.

An appendix accompanying this analysis gives one possible distribution of $5 billion in criminal losses. Another way to look at the $5 billion cost of S&L crime: 500 people would have to have stolen $10 million each to accumulate a total crime loss of $5 billion.

Interest costs ($57 billion) are the largest component (39%) of a $147 billion present value cost estimate for bailing out FSLIC (which includes the cost of the 1988 deals). Price deflation, bad lending, and real estate deterioration account for another $28 billion (19%) of the present value cost of cleaning up the mess.

One element of the present cost of the cleanup that often is overlooked is the estimated cost of $25 billion (17%) of cleaning up the FSLIC mess back in 1983. The failure to use taxpayer monies back in 1983 to dispose of the S&Ls then insolvent because of the interest rate crisis of the early 1980s effectively buried that cost in the S&L industry. Like an unpaid loan on which no interest is paid, that unrecognized loss back in 1983 compounded at a very high rate of interest throughout the 1980s and up to today. Much of the high rate of compounding took the form of excess interest costs, excess operating costs, bad lending, and the subsequent price deflation when the real estate boom fueled by the bad lending finally burst.

Two accompanying graphs help to illustrate this point. The first graph shows how FSLIC's real reserves (reported reserves less goodwill created in FSLIC-assisted transactions) went negative, beginning in 1982, the same year in which the assets of tangible-insolvent S&Ls skyrocketed. These insolvent S&Ls are the ones in which most of the subsequent losses occurred.

The second graph shows why the real estate bust occurred. S&L real estate lending in Texas (and elsewhere in the Southwest) exploded in 1983, two years after the Southwest energy boom peaked. Real estate lending should have been declining in the 1983–86 period, not rising. This escalating lending fueled the building of unneeded real estate, which then suffered the price collapse that added far more to S&L losses than did crime.

Where Did All the Money Go?

[Components of the current cost of cleaning up the FSLIC mess (1)]

Where the money went:	*Billions*
Cost in mid-1983 of disposing of then insolvent S&Ls	(2) $25
Real estate losses suffered since mid-1983 by insolvent S&Ls due to price deflation, bad lending, wasteful and excessively expensive projects, physical deterioration of repossessed real estate, etc	(3) 28
Losses on junk bonds	(4) 3
Losses on other non-real estate assets of insolvent S&Ls	(5) 3
Excessive operating costs in insolvent S&Ls	(6) 14
Excess interest paid by insolvent S&Ls on their deposits and borrowings	(7) 14
Crime—maximum amount stolen by crooks from already insolvent S&Ls	(8) 5
Deterioration of the retail deposit franchise in insolvent S&Ls because case resolutions were delayed	(9) 7
Excessive cost of FSLIC's 1988 deals	(10) 5
Subtotal—actual losses	104
Interest paid by insolvent S&Ls on post-1983 losses	(11) 43
Present value (check written today) of cleaning up the S&L mess	147

Memorandum: Present value of Treasury and FDIC cost estimates for cleaning up the FSLIC mess ranges from $141 billion to $184 billion.

Addendum—What it would have cost by 1990 to have cleaned up the S&L mess in mid-1983:

	Billions
Cost in mid-1983 of disposing of then insolvent S&Ls	(2) $25
Interest since mid-1983	(12) 21
Cumulative cost to the American taxpayer, by mid-1990, if all insolvent S&Ls had been disposed of in mid-1983 and if subsequent problems among S&Ls had not been allowed to have developed	(13) 46

Source: Estimate prepared by Bert Ely, Ely & Co., Inc., July 12, 1990.

APPENDIX

How $5 billion could have been stolen from insolvent S&Ls: One possible distribution of the amounts stolen.

First billion stolen: thefts in one S&L total $350 million; theft in a second S&L total $275 million; theft in a third S&L total $200 million; theft in a fourth S&L total $175 million.

Second billion stolen: theft in a fifth S&L total $150 million; theft in two more S&Ls of $125 million each; theft in three additional S&Ls of $100 million each; theft in four S&Ls of $75 million each.

Third billion stolen: thefts from 20 S&Ls averaging $50 million each.

Fourth billion stolen: thefts from 40 S&Ls averaging 25 million each.

Fifth billion stolen: thefts from 50 S&Ls averaging $10 million each, plus thefts from 100 S&Ls averaging $5 million each.

Totals: Thefts from 224 insolvent S&Ls totalling $5 billion.

FOOTNOTES TO: WHERE DID ALL THE MONEY GO?

(1) Current cost is the present value of all future cash outlays required to clean up the FSLIC mess. In lay person's terms, the present value amount equals the size of the check that would have to be written today to completely clean up the FSLIC mess.

This cost estimate includes the full cost of S&Ls disposed of by FSLIC in 1988.

(2) In mid-1983, FSLIC-insured S&Ls had tangible assets of about $725–$750 billion. Tangible-insolvent S&Ls held about one-third of these assets, about $250 billion, and had a tangible negative net worth of $14 billion. The increase in the loss estimate to $25 billion reflects three considerations. First, there were substantial unrecognized losses in tangible-insolvent S&Ls in mid-1983. These losses largely reflect fixed low-interest-rate mortgages with market values in mid-1983 that were less than book value. Second, there were tangible solvent S&Ls in mid-1983 that in fact were insolvent on a market value basis. A third, offsetting consideration, is that long-term interest rates since mid-1985 have been lower than they were in mid-1983. Thus, the government would have benefitted from lower interest rates after mid-1985 if it had taken over all insolvent S&Ls in mid-1983 and held off selling their mortgages until after mid-1985. Because these insolvent S&Ls were not shut down, the losses in them have rolled forward to the present. The beneficiaries of this $25 billion loss were the home buyers who had the good fortune to have obtained a fixed-rate home mortgage before 1980 from an S&L that became insolvent when interest rates skyrocketed in the early 1980s.

(3) The net exposure of all S&Ls to higher-risk (non 1-4 family) real estate loans and real estate assets almost tripled from the end of 1982 ($93 billion) to the end of 1987 ($272 billion) and peaked at $282 billion at the end of 1988. Approximately one-half ($140 billion) of these higher-risk assets were in insolvent S&Ls. This estimate of real estate losses equals 20% of the peak amount of higher-risk real estate loans and assets owned by insolvent S&Ls. From mid-1983 to the end of 1989, all FSLIC-insured S&Ls reported total asset write-downs and losses including non-real estate assets, of $18.8 billion. An undetermined portion of these losses, however, were in solvent S&Ls. If 80% of this loss ($15 billion) occurred in already insolvent S&Ls, then an estimated $17 billion of loss remained to be recognized at the end of 1989 ($32 billion in losses on real estate and non-real estate assets—$15 billion).

(4) Total investment by S&Ls in junk bonds peaked at $15 billion at the end of 1988. Most of these junk bonds were owned by S&Ls that were or eventually became insolvent. This estimate assumes a loss equal to 20% of the maximum S&L investment in junk bonds. This loss represents both losses in the market value of these bonds and losses when actual bond defaults occurred.

(5) Non-mortgage loans for all S&Ls peaked at $92 billion at the end of 1988. Assuming that insolvent S&Ls held one-third of these loans on which these S&Ls suffered an average loss of 10%, these S&Ls would have lost a total of $3 billion on their non-mortgage lending. This loss adds to the amount of insolvency in the insolvent S&Ls.

(6) The cash operating expenses of FSLIC-insured S&Ls increased from .32% of nominal GNP in 1982 to a peak of .51% of GNP in 1987. These expenses then declined to .44% of GNP in 1989 and will decline further in 1990. In 1989, each .01% of GNP equalled $523 million. A substantial portion of the increase in S&L operating expenses reflected the cost of excess capacity in the S&L industry represented by insolvent S&Ls. In other words, had S&Ls been taken over as soon as they became insolvent, S&L operating expenses as a percent of GNP would have risen much less, if at all. Much of rise in operating expense, as a percent of GNP, therefore added to the operating losses of insolvent S&Ls and therefore to the cost of cleaning up the FSLIC mess. This dollar estimate equals one-third of the amount by which S&L operating expenses grew faster than the GNP; therefore, it is the estimate of the amount by which unnecessary resource consumption by the S&L industry added to the cost of the FSLIC clean-up.

(7) It is estimated that insolvent S&Ls over the mid-1983 to mid-1990 period on average paid .5% to .75% more for their deposits and borrowings than solvent S&Ls paid. It also is estimated that the deposits and borrowings of insolvent S&Ls over this seven year period averaged between $300 and $350 billion. Therefore, insolvent S&Ls between mid-1983 and today paid approximately $14 billion more in interest to finance their assets than solvent S&Ls would have paid in interest to finance these same assets.

(8) This is an admittedly rough estimate of the maximum amount crooks actually stole from already insolvent S&Ls. This estimate excludes amounts stolen from solvent S&Ls (which losses cost stockholders, not taxpayers) and it excludes wasteful operating activities, incompetent lending practices, price deflation, and other actions which themselves are not violations of the criminal law. See attached appendix.

(9) Assumes the franchise value of deposits in insolvent S&Ls declined by an amount equal to 2% of the deposits in these S&Ls from the time the S&L could reasonably be predicted to fail to the time it was actually sold by the government.

(10) The most recent present value cost estimate for S&Ls sold by FSLIC in 1988 is $52 billion. This cost was driven up unnecessarily by poor bidding procedures, excessive yields on notes and assistance agreements provided to the acquirers of these S&Ls, and perverse incentives in the assistance agreements which will drive up losses in these deals.

(11) The losses in insolvent S&Ls have been compounded by the median cost of funds for all S&Ls during the mid-1983 to mid-1990 period. The interest rate in excess of the median cost of funds was included above.

(12) This calculation assumes that the government borrowed $30 billion in 3-month Treasury bills on June 30, 1983, and then kept rolling those bills over at three month intervals. Thus, the amount borrowed was compounded quarterly at the average yield on 3-month Treasury bills (secondary market yield) during the first month of each quarterly compounding period. This calculation further assumes that the government would have reaped $5 billion in gains between mid-1985 and early 1987 as it sold mortgages owned by insolvent S&Ls in mid-1983. These gains were used to reduce the amount borrowed in mid-1983.

(13) This is the amount by which the federal debt would be higher today had the federal government decisively disposed of insolvent S&Ls in * * *

Mr. KERREY. Mr. President, for my colleagues, Mr. Ely has carefully analyzed the problem and shows approximately 3 percent, a significant amount, somewhere between $3 and $5 billion to be attributable to crime. I believe it is important for the Attorney General of the United States to pursue diligently that money.

I just do not believe personally that we should offer out a great deal of hope to the American taxpayers, the people who pay for this thing, that this is going to be an important source of revenue to reduce our costs. Our anger should be sustained long enough to make sure anybody who is responsible is brought to justice. We should take care, as I said, though, not to become blinded by this avenue. We should, it seems to me, pay attention to what is going on now.

It seems to me that our objective in this whole thing should be to maximize the value of our assets, maximize the value of franchises and operations that we are likely to seize and minimize the cost of expenditures, including the financing charges. That ought to be simple. We should say to the taxpayers, we have a problem here and we are trying to minimize the cost. If we are trying to minimize the cost and maximize the value of the assets, I believe, Mr. President, we need to take a different approach than the one being used today. I believe much more can be done to reduce the overall cost to the taxpayer if we were less concerned about what happened yesterday and more of what is going on right now.

What is going on right now is we are being given information by the bureaucracy charged with administration of the program after they have filled it with political considerations. What is going on right now is the Board responsible for policy decisions is composed of five people, Mr. President, and is dominated by three men who are too busy to give more than an hour a week to the task. What is going on right now is the decisions are being made about expenditures, policies, and deals over which the citizens have very little oversight and very little control. Decisions were made with one eye on potential adverse political reactions and one eye on efficiency.

Most significantly to the taxpayer, Mr. President, what is going on right now is the Resolution Trust Corporation is failing to control the long-term cost to the rescue. The procedures used are reducing the value for S&L charters. The financing methods are increasing interest costs. Paradoxically, because there is fear of accusation of political favors, decisions are not being made which maximize the return to the taxpayer.

Mr. President, the condition which should cause all of us in the legislative branch to want to change the way we are currently doing things is the fact that we know very little about what is being done right now, not just very little about what happened yesterday but very little about what is happening today.

Let me illustrate how little we know by asking my colleagues if they feel comfortable being able to explain during the upcoming recess to their taxpaying citizens and voters how the money is currently being spent. To get specific, let me ask if my colleagues noticed the report in the July 24 Wall Street Journal which highlighted the status of the deficit through the month of June. June is the month when we normally run a surplus. June is the month of the deadline for quarterly corporate tax payments.

Unfortunately, Mr. President, corporate tax receipts were only $18.57 billion, down from $20.88 billion last year. Overall revenue from all those good taxpayers who we are now saying are going to have to pay a little more in taxes was up from $108.25 to $110.6 billion. Normally, in the month of June, $110 billion would pay all the bills. It is one of the few months when the U.S. Treasury can make that claim. However, this year our expenses were up from $100.46 billion last year to $121.84 billion this year. Thus, instead of having a surplus of $7.79 billion like we did last year, we ran a deficit of $11.22 billion.

Mr. President, we have in the month of June an illustration of why we should be more concerned about how the current dollars are being spent. In the month of June, we had to sell additional bonds to pay the bills. In the month of June, we have a good example of how we are again advancing until tomorrow the repayment for expenditures that were incurred in this case not just today but throughout the entire decade of the 1980's. It means that we are going to borrow more money in the month of June. We will import more capital from the rest of world to pay our bills. We will burden tomorrow's generation to pay our current needs and we will ask those people who get paid by the hour, in reference to the Senator from New York's good evaluation, to shoulder the largest piece of the burden. We have all heard that before. We have talked about it a lot. We have explained it so many times at home that they are probably far more accomplished than I am at getting it done.

However, this year we are going to have a little different piece to explain. This year we are also going to be going back home talking about a proposed tax increase that now appears to be necessary, according to the President, to cover our costs. Summiteers will also be presenting us with that a list of spending reductions from medicare to defense to farm program payments. These are going to be extremely difficult to explain back home, Mr. President, both the spending reductions and the proposed tax increase the President now says is necessary.

This year there is an added wrinkle which we will have to explain and that is the expenditure for President Bush's savings and loan programs. In the month of June, we spent $15.82 billion on that program, which is why we had to borrow the additonal money.

I urge my colleagues to focus on that amount, $15.82 billion, which is a lot of money, a lot of money, Mr. President. We are going to be spending on average $20 billion a year over the next 40 years to fund this program, $20 billion a year, Mr. President. That is approximately $5 million an hour, 24 hours a day, 7 days a week, 52 weeks a year over the next 40 years. I believe we ought to be asking, what are we getting for our money? I believe we ought to be prepared to answer the question our taxpayers are going to ask us about how that money is being spent. We ought to be able to do more than just answer in general terms about crooks and swindlers and the geographical inequities and all the other sorts of things that have been referenced to date. We need to be answering with the same kind of precision that we will answer if we are asked questions about some other spending program authorized by Congress.

If we are asked about defense or the space program or the farm program or aid to schools, we expect to answer very specifically and precisely about what ought to happen. But in this particular case, Mr. President, it seems we are far less able to answer with the kind of precision to which I think our taxpayers rightfully hold us accountable.

Let me illustrate a bit further about how we are being kept in the dark about what is happening. Mr. Timothy Ryan, head of the Office of Thrift Supervision, held a press conference last week on July 25. This was a quarterly report on the status of American savings and loan institutions and the President's bailout program.

Things are looking a little better, Mr. Ryan said. We have a lot more work to do but things look a little better. He said the 2,505 institutions that are not in the Government's hands had trimmed their losses in the first quarter of 1990 and he attributed that to the bailout effort. He said the institutions not under Government supervision posted a loss of $271 million, a substantial improvement in light of the total $6.2 billion the industry lost in the three previous quarters.

He went on to say that he was going to be "Mr. Rosy Scenario," and to emphasize that it is still a very tough situation. The impression given in his first announcement was that we are making great progress. Things are a lot better than they were a year ago. His presentation was reinforced by the earlier testimony of Secretary Brady before the Senate Banking Committee where he continued to assert, against the predictions of almost everyone else, including Mr. Seidman, that the total costs will only be about $120 billion.

Mr. President, this is not just a presentation of the Director of the Office of Thrift Supervision. This must be seen as a presentation of the executive branch to the legislative branch and, in turn, we must see it as a presentation to the American people.

Given what Mr. Ryan withheld from his presentation, I must observe that the manner of details in Mr. Ryan's presentation carries the unmistakable odor that has been intentionally covered with the film of political fear. Here is what he said on behalf of executive branch, what he did not tell us. Here is a short list of things that have previously been disclosed in these quarterly reports but left out of last Wednesday's analysis. He did not tell us how much money was lost by the 350 institutions which are operated by the taxpayers. His defense was that it would be misleading to include the Government-run thrifts because making money is not the goal of the RTC.

This is weak rationale, Mr. President, for the following reasons: First of all, these S&L's are all taking deposits that are guaranteed by the taxpayers and their losses thus reflect on the entire industry.

Second, and perhaps most importantly, the billions of dollars in subsidies that went into the 202 institutions that have been sold were not subtracted from the year-to-year number. Thus he includes tax money if the numbers are made better by that inclusion, and he excluded taxpayers' efforts when the numbers would be made worse.

Mr. President, this does not help us in being able to go the the American taxpayers to get additional funding as we all expect the administration will request from us.

In addition, he did not tell us how many loans have been foreclosed because of nonpayment. He did not tell us how many loans are past due. He did not give us a clear assessment, Mr. President, of the status of this Nation's savings and loans and the likely cost to the taxpayer and, as a consequence, he puts us, the representatives of the people, I believe, in a very difficult position of not being able to answer clearly and specifically as to what is going on with our current situation.

Mr. President, I believe the Bush administration is underestimating the total cost of the problem. I believe they are intentionally understating the costs and the full range of options available to pay those costs. Worse, the American people are not being given the full story. Information is being withheld. They are being given a

political assessment of the current problem. Long-term policy considerations are being rejected for a short-term political gain. Instead of telling us about even more difficult expenditures, we are told things are tough but improving.

Mr. President, the proposal that I have to put us in a position where we are able to answer specifically what our taxpayers are going to be asking us is quite simple. I simply say that the five-person oversight board that is in charge of the policy does not have the time and does not have the capability, given political considerations, to deliver information to the people. I suggest simply replacing that board with an independent board that the President can appoint with the Senate to confirm so that it would begin to get independent judgments, not only about what we ought to do to minimize the cost through financing and other sorts of policy decisions but so that we can maximize the return to the taxpayer.

We are decreasing values of franchises every single day with current policy. We are increasing the costs to the taxpayer every single day with current policy. Those who want to go back and look at what happened in the past, I will support that effort. Those who want to put all the crooks in jail, I will support that effort. But in neither one of those two cases will I constantly go to my taxpayers and say those two events will reduce those costs and minimize their burden over the next few years.

We need to focus on the current problems and current resolutions of the problems. It is not being done under the current rate.

I yield the floor, and thank the Chair.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,962d day that Terry Anderson has been held in captivity in Beirut.

SUPER SETBACK FOR NUCLEAR EXPORT CONTROLS

Mr. GLENN. Mr. President, the administration has thought long and hard about the wisdom of approving exports of supercomputers to nations that have poor records in the area of nuclear nonproliferation. But evidently not long or hard enough, for it has recently approved the export of supercomputer equipment to Brazil. Short-term diplomatic and commercial interests appear once again to have triumphed over our national security and nonproliferation interests, policies, laws, and regulations. In plain words, the ghost of the Reagan administration is back and the implications for our nonproliferation policy can only be described as profound.

Five months ago, President Bush heralded the 20th anniversary of the Nuclear Nonproliferation Treaty [NPT] entering into force. In his statement of March 5, the President characterized the NPT as "the primary legal barrier to nuclear proliferation" and "a principal foundation of international security." He correctly termed nuclear proliferation "one of the greatest risks to the survival of mankind" and urged "all states that are not party to the NPT to join and thereby demonstrate their support for the goal of preventing nuclear proliferation."

I am probably not alone in seeing a growing gap between the administration's excellent statements on behalf of nuclear nonproliferation and its actual practice of turning a blind eye toward activities and policies that detract from that goal. Brazil, a nonparty and constant critic of the NPT, has just obtained permission to import a high-technology, dual-use commodity that our laws intended should only be sent to nations that have joined the NPT or that have strong nonproliferation credentials. In previous floor statements—CONGRESSIONAL RECORD, May 24, 1990, p. S6976 and October 30, 1989, p. S14382—I have underscored the importance of vigorously enforcing our dual-use export controls, especially as they apply to supercomputers.

As representatives from 140 nations assemble this August in Geneva to review the status of the NPT, some legitimate questions might be asked abou this chronic U.S. practice of providing massive, untied military aid and high-technology favors to non-NPT nations. Evidently, this administration's commitment to the letter and spirit of the NPT, not to mention our own nuclear export controls, has its limits. Since the Brazilian supercomputer case may be just one of many more to come involving non-NPT nations, the sale merits some examination.

OF CHIPS AND BARGAINING CHIPS

According to the Brazilian press report issued on June 6, U.S. Trade Representative Carla Hills recently concluded talks with the Brazilian Economics Minister and declared that America would permit the export of supercomputer equipment to Embraer, a firm with interests in missile technology and one of the world's largest manufacturers of military training aircraft and mid-sized air commuters. Ambassador Hills reportedly noted recent Brazilian efforts to open their markets to U.S. businesses and engaged in discussions over pharmaceutical patents, the U.S. import tariff on orange juice, and other trade issues.

I ask unanimous consent to have printed in the RECORD a Reuters news wire story on this announcement.

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

U.S. TO ALLOW BRAZIL TO IMPORT SUPERCOMPUTERS

BRASILIA, June 5 (Reuter).—The United States will allow Brazilian aircraft manufacturer Embraer to import U.S.-made supercomputers, Brazil's Estado news agency reported.

The agency said U.S. Trade Representative Carla Hills made the announcement after meeting Wednesday afternoon with Economy Minister Zelia Cardoso de Mello.

The export of supercomputers to Brazil had been prohibited by the U.S. Government, which cited national security reasons.

Before meeting with the economy minister, Hills told reporters she had not yet discussed the issue of supercomputers.

Hills, who will be in Brazil until Thursday, said the United States was encouraged by measures President Fernando Collor de Mello has taken to open up Brazil's markets.

"The Bush administration has strong admiration for Collor's economic program" she said.

"But much work must still be done," she added.

Hills said she has discussed with Collor the importance of recognizing intellectual property rights. The U.S. has a long-running trade dispute with Brazil over its refusal to recognize patents, particularly in the area of pharmaceuticals.

Protection of intellectual property rights would be necessary in order for the United States "to implement a generous General System of Preferences (GSP) program in reference to Brazil," she said.

Hill also met with Brazilian business leaders, who asked for reductions in U.S. Tariffs on imports of frozen concentrated orange juice. Hills said the United States is negotiating such a reduction within the Uruguay Round of trade talks, scheduled to end in December.

Mr. GLENN. Mr. President, has our nonproliferation policy now reached the point where we are treating supercomputers on a par with drug patents and orange juice concessions in our trade discussions with other nations? Amid the current national fever to export high technology to unstable regions around the world, it is worth noting that there once was a time when America's economic stakes in world trade were measured against our national security and nonproliferation interests, a time when such interests were pursued in accordance with statutory export control limitations.

As the administration now prepares to rationalize the export of computer equipment that—in the words of the Nuclear Nonproliferation Act—"could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes," to a nation that fails to meet any one of the six nonproliferation criteria spelled out quite clearly in our Export Administration Regulations, it is clear how far our policy has come from an earlier day in which such criteria were taken seriously.

One of the voices from that time, not so long ago, was that of Victor Gilinsky, a former Commissioner of the Nuclear Regulatory Commission, who once cautioned against permitting our nuclear-related exports to become "* * * the modern-day equivalent of glass beads and Indian blankets—prime items of international political barter." (Washington Post, January 26, 1978, p. A23.)

Similarly, President Gerald Ford stated quite categorically that the United States must "* * * be sure that all nations recognize that the U.S. believes that nonproliferation objectives must take precedence over economic and energy benefits if a choice must be made * * * the goal is to prevent proliferation, not simply to deplore it." (Statement on Nonproliferation Policy, 28 October 1976.)

If today it is supercomputers—a technology officially labeled by all three U.S. nuclear weapon labs as "the cornerstone of the nuclear weapons design program"—if it is supercomputers that we find on the negotiating table with orange juice and pharmaceutical patent rights, what will we find on that table tomorrow? The administration's action in approving this export puts into question our national commitment to nonproliferation and converts our export controls over dual-use commodities into a dead letter. Even if this particular sale comes with a special security plan intended to reduce the risk of illicit uses, that does not justify such an export to a nation that cannot satisfy our most fundamental nonproliferation criteria.

WHY WORRY ABOUT BRAZIL?

Neither Brazil's new democratic government, nor its constitutional requirement that nuclear energy be used only for peaceful purposes, provides much assurance that Brazil is regulating its nuclear affairs in accordance with international nuclear nonproliferation standards. The current government in Brazil, much like its predecessors, prefers policy pronunciamentos to binding international commitments. A few examples will illustrate this point with respect to commitments relating to both nuclear and missile nonproliferation.

First, Brazil has ratified the Latin America Nuclear Free Zone Treaty, but refuses to bring it into full force, and continues to assert the right to conduct so-called peaceful nuclear explosions—a term coined long ago in the United States and used by India to rationalize its nuclear detonation in May 1974.

Second, Brazil adamantly refuses to join the NPT. The Brazilian Foreign Minister recently reassured foreign journalists that Brazil has no intention even of reviewing its opposition to the NPT. (FBIS, LAT-90-088, May 7, 1990, p. 34.) Jose Goldemberg, Brazil's science and technology secretary, was asked last April if Brazil would sign the NPT; his response was, "No. If we signed we would be committed to international safeguards. I see no reason for this because the great powers have programs not subjected to the safeguards." (Jornal do Brasil, April 8, 1990, p. 13.)

Third, Brazil continues to have unsafeguarded nuclear facilities that are being run by the military. Though there are many in Brazil, even in the Brazilian Government—especially the national congress—who strongly oppose nuclear weapons, serious allegations have been made that the military is preserving its options to acquire such weapons. Brazil's continuing refusal to enter into binding nonproliferation obligations only contributes to international suspicions over Brazil's true intentions.

In July 1989 the nuclear trade journal, Nucleonics Week, quoted from what is described as a report prepared by West German intelligence for the Bonn Government in 1987. The article claimed that Brazil was able to enrich uranium to 70 percent of the weapon-related isotope U-235 "without any problems" using gas centrifuges developed by the Brazilian military; Brazil was also alleged to be processing and exporting its "large reserves" of beryllium, a strategic metal used in nuclear reactors and weapons. ("Germans Say Brazil Developing Two Production Reactors," Nucleonics Week, 27 July 1989, p.4)

The journal also cited what if termed a report from the West German Foreign Office, dated October 26, 1987, allegedly claiming that some 20 percent of the Brazilian staff trained in West Germany had wandered from the civilian program into other areas. Other documents cited by the journal noted growing concerns by the International Atomic Energy Agency about this alleged movement of personnel and technology into unsafeguarded parts of Brazil's nuclear program. ("Kohl Pressed by Opposition, IAEA over Technology Sent to Brazil," "Nucleonics Week, July 27, 1989, p. 5. See also, "Brazil Violating Nuclear Accord, Files Indicate," Wall Street Journal, July 24, 1989, p. 11.)

Though a spokesman for the West German government subsequently denied these reports and asserted that Brazil's nuclear program has a "purely civilian character," doubts persist both internationally and domestically in Brazil. ("Bonn: There is 'No Military Background' to Brazil's Unsafeguarded Program," Nuclear Fuel, August 7, 1989, p. 13.)

In late May 1990 the Brazilian Physics Society presented a report to the National Congress saying that Brazil had the capability of building a nuclear bomb and calling on the legislature to create a commission to exercise stricter oversight of the facilities in Brazil's parallel nuclear program. Mr. President, I ask unanimous consent to have printed in the RECORD a news wire describing this report; the article also notes a recent unsuccessful effort by United States Ambassador at Large for Nonproliferation Policy, Richard T. Kennedy, to encourage Brazil to sign the NPT. No sooner had Ambassador Kennedy returned from Brazil, than we read in the Brazilian press that the United States was selling Brazil supercomputer equipment.

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

[From Inter Press Service, May 25, 1990]

BRAZIL: MILITARY COULD BE MAKING NUCLEAR BOMB, PHYSICISTS SAY

(By Gabriel Canihuante)

RIO DE JANEIRO, May 25.—The Brazilian physics society (SBF) fears the armed forces could be developing a nuclear bomb without the knowledge of local and international groups.

The physicists presented a document to the National Congress saying Brazil is capable of producing a nuclear bomb, and proposed the creation of a commission to look into the matter.

In 1987, Brazilian navy experts succeeded in developing the technique of refining uranium, one of the components of the atomic bomb.

Although the government said the radioactive substance had been refined by up to 20 percent, Brazilian physicists say army experts could now be producing uranium more than 90 percent pure, the level needed to make a nuclear bomb.

"We have to prevent the armed forces from using the technology they have to build the bomb," warned physicist Luis Pinguelli Rosa May 23 as he handed over the document to Senator Nelson Carneiro, president of the National Congress.

According to the SBF study, the Brazilian military is developing nuclear technology in the navy's experimental center in the state of Sao Paulo, and has a place where a nuclear bomb could have been exploded.

Pinguelli Rosa said that in the mountains of Cachimbo in the northern state of Para, the army has a piece of property with a well 352 yards deep, similar to those used in trial nuclear explosions.

The president of the National Commission on Nuclear Energy (CNEN), Jose de Santana, said experts from the Army Technological Center (Cetex) in the state of Rio de Janeiro, have already developed pure graphite.

Santana said this substance could be used for testing nuclear bombs.

U.S. authorities share the Brazilian physicists' concern over the possibility that Brazil is making its own atomic bomb.

During a recent visit here, the U.S. representative to the International Atomic Energy Agency, Col. Richard Kennedy, tried in vain to convince Brazilian authorities to sign the international treaty on the non-proliferation of nuclear arms.

Kennedy stressed that the Brazilian government's refusal to sign the treaty prevents the United States from exchanging technology with this South American country.

There are clauses in the Brazilian constitution that prohibit the making, storage and transport of nuclear weapons intended

for war in the country, but these are not enough guarantee for Kennedy or the Brazilian physicists.

Deputy Fabio Feldman, who supports the physicists, said the constitution does not prevent Brazil from building its own nuclear bomb.

"The bomb can be made with the justification that it is an instrument of peace," the social democratic legislator said.

The physicists did not comment on the signing of the non-proliferation treaty, rejected by the government for allegedly being discriminatory, but asked congress to assume control over the country's nuclear program.

They proposed the setting up of a commission of experts to be chosen by congress and the SBF to investigate activities of the navy in its Sao Paulo installations and the army in its Rio de Janeiro property.

Mr. GLENN. Mr. President, a fourth area of concern relates to Brazil's attempts to develop a nuclear-capable, medium-range missile; both Libya and Iraq, among other nations, have appeared as actual or potential customers for Brazil's nuclear or missile technology, and related commodities.

In October 1989 the Associated Press reported that the United States had protested France's apparent intention to sell sensitive rocket technology to Brazil. Mr. President, I ask unanimous consent to have printed in the RECORD an AP story of October 5, 1989, describing the French/Brazilian discussions over the purchase of the liquid-fueled Viking rocket motor technology.

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

[From the Associated Press, Oct. 5, 1989]

U.S. PROTESTS FRENCH PLAN TO GIVE BRAZIL ROCKET MOTOR

(By Ruth Sinai)

WASHINGTON.—Despite strong U.S. protests, the French government plans to trade Brazil sensitive rocket technology that could be used by U.S. enemies to make ballistic missiles, government and industry officials said Thursday.

France has promised to give Brazil the technology of a liquid fuel motor called Viking, which powers the Ariane space launch vehicle, the officials said. In return, the French company Arianespace would be awarded a $60 million contract for the launch of two Brazilian communications satellites, they added.

The U.S. officials, who spoke only on condition of anonymity, said French President Francois Mitterrand personally made the decision to give the technology to Brazil, promising that safeguards would be placed to prevent use of the motor for lethal purposes.

But a statement issued by the government in Paris denied a final decision had been made. "The definitive contract will be submitted to the government for approval and this contract has not yet been given" to the government, the statement said.

"This contract will have to follow certain purposes and restrictions regarding technology transfers," it said.

The United States, however, is doubtful such safeguards can be implemented effectively.

"If someone like Libya wants to use this motor to harmful purposes, who will stop them?" asked one official.

Libya has been seeking to buy from Brazil equipment and know-how in an effort to develop a ballistic missile arsenal capable of delivering chemical weapon warheads, according to U.S. experts.

Brazil, one of an estimated 20 Third World countries which have some form of ballistic missile capability, has been exporting some missile technology while and attempting to develop a more accurate and sophisticated arsenal of its own.

Word of the planned French sale was first reported by Signal magazine, published by the Armed Forces Communications and Electronic Association. Representatives of McDonnell Douglas Corp., the St. Louis-based firm competing for the Brazilian launch contract against Arianespace, were informed of the French proposal by Brazilian officials and conveyed the information to the Defense Department, officials said.

A spokesman for McDonnell Douglas, Bob O'Brien, said that if the French "transfer is made, obviously it wouldn't enhance our chances" to win the contract. He said Brazil had been expected to announce its decision already but has not done so yet.

The United States first protested the planned French sale last July during the seven-nation economic summit in Paris, one official said.

For while it appeared the protest had stopped the French plan, the official said. But the French government reconsidered when it appeared France stood to lose the lucrative satellite launch contract, he said.

The United States has warned France the technology transfer would violate the Missile Technology Control Regime, a 1987 agreement to stem the proliferation of such weapons, of which France is a signatory, the official said. But France contends the Viking motor will be used for peaceful purposes and would not violate the agreement.

The United States is still reviewing whether it can stop the deal, the official said.

Mr. GLENN. Mr. President, this development is particularly disturbing in light of numerous reports in 1988 that Brazil and Libya were negotiating a $2 billion arms deal including missile technology—see "U.S. and Brazil at Odds Over Arms for Libya," New York Times, January 30, 1988; "State Department Concerned Over Brazil's Arms Sales to Libya," Associated Press, January 28, 1988; "Brazil To Sell Arms to Libya Despite U.S. Objections, Official Says," Los Angeles Times, January 28, 1988; and "Brazil Plans To Resume Weapons Sales to Libya—Foreign Minister Dismisses U.S. Protests," Washington Post, January 28, 1988.

On April 1, 1990, arms control specialist Gary Milhollin wrote in the Washington Post that:

Through its ownership in another firm called Orbita, Embraer is now trying to turn Brazil's Sonda IV space launcher into an intermediate-range nuclear-capable missile. In January 1988, Libya's arms buyers offered to pay Orbita's development costs in exchange for long-range missiles and the means to make them. * * * Embraer also exchanges personnel with the research arm of the Brazilian Air Force, called CTA, which West German intelligence says is secretly making nuclear weapon material. The U.S. supercomputer could wind up designing missiles for Libya and nuclear weapons for Brazil.

Brazil is also reportedly working with Iraq on satellite technology. Mr. President, I ask unanimous consent to have printed in the RECORD a recent article describing the alleged involvement of Orbita, a firm closely tied to Embraer, with Iraq in this area.

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

[From the Middle East, November 1989]

IRAQ'S SKY SPY

(The prospect of an Iraqi satellite peering down on the Middle East from space is certain to be unsettling for many countries in the region. But if plans described by Alan George reach fruition, Baghdad will soon be using Brazilian technology and even help from China to launch its spy in the sky)

Amid the growing international furor over Iraq's clandestine efforts to acquire technology for the development of ballistic missiles, it has been scarcely noticed that Baghdad is engaged in a drive to launch a space programme whose military implications could be profound.

Of particular interest to Baghdad is the acquisition of a surveillance satellite equipped with powerful cameras. Locked in geostationary orbit, such a device could offer Iraq invaluable data on the military activities of its three main regional enemies, Iran to the east, Syria to the west and Israel to the south west, and on the activities of Kurdish guerrillas in Iraq's northern mountains.

Brazil, which has a relatively sophisticated aerospace sector, is set to play a central role in Iraq's plans. Baghdad's Scientific Research Centre (SRC) and Brazil's space agency, Instituto de Pasquisas Espaciais (INPE) have been discussing a satellite deal for some time. Baghdad had planned to place a formal order for a Brazilian satellite in January, but the deal was delayed by a reshuffle of INPE's board.

Further talks were underway in the early months of this year, and in spring the deal was discussed during a visit to Baghdad by Ozilio Silva, president of the Brazilian rocket manufacturing company Orbita Space Systems. This firm links the Brazilian aircraft manufacturer Embraer, the armaments company Engesa Engenheiros Especializados (Engesa) and Engesa's marketing arm, Engexco. Mr. Silva is a former president of Embraer. It is understood that most of the negotiations have been conducted by Embraer, Engesa and Engexco on behalf of Orbita and INPE.

The proposed contract is thought to involve a satellite similar to INPE's SCDI model, which would be equipped with a French-built high resolution camera capable of taking infra-red pictures.

The deal would also involve the supply of a range of associated technology, including a laboratory where Iraq could build and test its own satellites. This would be modelled on INPE's elaborate Integration and Test Laboratories, now nearing completion of Sao Jose dos Campos by Interspace, a subsidiary of the French space agency, Centre National des Etudes Spatial (CNES). In addition, Brazil would provide training for Iraqi technicians. The package would cost Baghdad

about $50m, of which $10m would be for the laboratory.

Negotiations are now thought to be at an advanced stage, although the latest known development was a visit to Brazil by an SRC team in late May. The delegation left Brazil on 2 June to visit France to discuss the provision of the satellite's camera.

The project is shrouded in secrecy. Orbita chief Ozilio Silva has confirmed that Iraq "is trying to establish a space programme", adding that "certainly, French companies would be involved" on sensor technology although "private Brazilian companies would be in charge". However, he has declined to say any more. Sergio Prado, Orbita's senior executive officer, declined "to confirm or deny" his company's involvement with Iraq.

Similar reticence surrounds the French involvement. Only two companies in France, Aerospatiale and Matra Espace, make satellite cameras. However, both companies deny any knowledge of or participation in the Iraqi-Brazilian project. CNES, the French space agency, also claims to know nothing, as does the French Foreign Ministry. And all this is despite Mr. Silva's confirmation of French involvement, the known visit to France by an Iraqi negotiating team in June and the fact that the CNEA subsidiary Interspace is building the Brazilian laboratories on which Iraq's will be modelled.

Although the satellite deal is being negotiated by civilian agencies and companies, its military significance for Iraq is not in doubt. A senior Matra Espace official commented: "As soon as you put a camera onto a satellite, no-one will check up to see whether it is being used for civilian or military purposes."

Indeed, Orbita chairman Ozilio Silva has implicitly conceded that the Iraqi project is inspired by military considerations. Earlier this year he was quoted as saying that Iraq's space programme was "maybe in reaction to Israel's own efforts". Israel made its first successful satellite launch in September 1988, using a locally produced Shavit (Comet) rocket. Although the Israelis claimed that the satellite, Ofeq 1, was a purely civilian device, its name suggest otherwise, Ofeq is Hebrew for "horizon", implying that the satellite was in reality for reconnaissance.

Should Iraq secure a satellite from Brazil, there would remain the question of how it would be launched into orbit. One possibility is that the Iraqis plan to use a Condor 2 rocket. This is a two-stage, solid fuel missile with a range of 1,000 kilometers on which Baghdad has been working in collaboration with Egypt and Argentina and with the involvement of European companies. However, the missile has yet to be test-fired, and the project has reportedly slowed. West German and Italian companies working on the Condor 2 are presently under investigation by their governments for possible violations of export regulations.

A more attractive option might be to launch the satellite on a Chinese rocket, under a contract with the new Brazilian-Chinese company, International Satellite Communication Ltd (Inscom), which specialises in satellite launching and tracking. Formed in February this year and registered in Liechtenstein, Inscom is a joint venture between the China Great Wall Industrial Corporation (CGWIC) and the Brazilian armaments and missile company Avibras Aerospacial, Inscom combines Avibras considerable experience of earth station construction with CGWIG's access to proven launch vehicles, in the shape of Chinese Long March rockets. In July, the Brazilian space agency INPE became Inscom's first customer, signing up for the launch of two data collection satellites in 1992 and two remote sensing satellites in 1994.

Mr. GLENN. Mr. President, allegations have been appearing in recent weeks that Brazil is actively assisting Iraq in the missile area as well. Three weeks before Ambassador Hills' supercomputer announcement, a Sao Paolo newspaper described in some detail Brazil's alleged assistance in helping Iraq manufacture an air-to-air missile—the "Piranha"—much like our Sidewinder. The paper went on to say the following:

It happens that the Brazilian team now in Baghdad is essentially the same one that developed the Brazilian Air Force's project for a 'Big Piranha' capable of delivering a nuclear warhead to a distance of 1,000 km * * * another Brazilian team in Baghdad recently improved a Soviet medium-range missile for Husayn—and that the new version is large and powerful enough to carry a nuclear warhead. (Sao Paolo, Veja, May 16, 1990, p. 53.)

And with respect to Embraer, the proposed recipient of United States supercomputer equipment, a newspaper in Rio reported the following on May 17:

For the past year, employees of Embraer and Orbita Aerospace Systems have been providing the Baghdad government with services in the areas of aerodynamics, structural and flight testing, trajectory control, on-board electronics, and propellants * * * [these firms] are also there to improve the performance of the Soviet Scud missiles used by Iraq. (Rio de Janeiro, O Globo, May 17, 1990, p. 7)

On the issue of Brazilian-Iraqi nuclear cooperation, here is what the CIA Director, William Webster, had to say in testimony before the Senate Governmental Affairs Committee on May 18, 1989:

Brazil continues to construct and operate unsafeguarded nuclear facilities * * * they signed an agreement in Baghdad about 10 years ago for cooperation in the field of the peaceful use of nuclear energy [including] studies of uranium, supply of natural uranium and low enriched uranium for use in nuclear reactors, supply of equipment and construction services for nuclear reactors, security for nuclear reactors, exchange of visits to research and development facilities, and training of human resources. That is going to expire in October of this year, and it can be either be renewed for one-year period or either party can terminate it.

A BETTER BARGAIN FROM BRAZIL

Mr. President, I have no doubt that there are many political leaders and citizens of Brazil who oppose nuclear proliferation with the same sincerity and vigor that I oppose it. I cannot see, however, how America's assistance to Brazil's pursuit of a supercomputer capability will help the cause of those in Brazil who oppose the bomb. To the contrary, the sale only strengthens the hand of those in the Brazilian Government who have been arguing that the United States will ultimately sell Brazil the technology it needs without any requirement to abandon the nuclear option.

There has been absolutely no quid pro quo: Brazil may soon get its supercomputer, but we are still at square one with the Brazilian government on the NPT and other nonproliferation treaties. This is a good deal for Brazil and a United States company, a bad deal for the United States, and no deal whatsoever for nonproliferation.

America's efforts to halt nuclear proliferation have come to an ironic crossroad. While West Germany slowly proceeds to tighten up its export controls in the wake of the Libyan chemical weapon plant affair, we are diligently rolling back our own export controls in the pursuant of global markets. While the Soviet Union declares glasnost, we are shrouding our own nuclear exports in a bureaucratic secrecy so dense that even the United States Congress must rely on foreign press reports to learn what is going on.

A deeper question now lies at the doorstep of this Administration: what is America now willing to *sacrifice* on behalf of its nonproliferation policy?

Here are some ideas.

First, we should rule out exports of sensitive dual-use technology to nations with poor nuclear nonproliferation records. Fortunately, this is not a major sacrifice, since there are few nations with such records.

Second, we should redouble our efforts to build strong economic and political ties to those nations that have joined the NPT and abided by its terms, and should continue to encourage other nations to join that treaty. Unfortunately, our tendency in recent years has been to do virtually the opposite, that is, to provide massive economic, military, and high technology assistance to nations that have neither joined the NPT nor agree with even its most basic objectives. And let no one claim that such a policy has served the global goal of nuclear nonproliferation.

Third, we in Congress should encourage other legislatures, particularly in Brazil, to exercise greater oversight over national nuclear activities—we have that challenge here at home as well. I am very sympathetic about recent signs that the Brazilian National Congress is becoming aware of the need to enhance these oversight responsibilities; we in Congress should offer our hand to our counterpart Brazilian legislators who might wish to seek to learn from our experiences in managing our own bureaucracy. As in America, however, good congressional oversight is no substitute for binding international obligations as a measure of a nation's commitment to nonproliferation.

Fourth, let us separate orange juice from supercomputers in our trade

talks with nations with dubious nonproliferation credentials; the means for acquiring weapons of mass destruction should never be permitted to become commodities for barter with such nations. Our diplomacy in this area should concentrate on squeezing nuclear proliferators, not oranges.

Fifth, we must not let inflated allegations about foreign availability drive our nonproliferation policy; in the case of supercomputers, Japan is our only major international competitor. Unrestrained export competition will surely serve our nonproliferation interests far less than supplier restraints.

Sixth, let us not unilaterally index our supercomputer export controls to narrow technical standards here in the United States or elsewhere. The relevant index should remain what it is today in U.S. law: the credibility of the importing nation's nonproliferation commitments. The various proposals that are circulating now for a narrow technical standard would, in short order, put ultra-sophisticated computers in the hands of nations with unsafeguarded sensitive nuclear facilities and with export ambitions that include both long-range missiles and nuclear technology.

Seventh, we must not abandon the IAEA's safeguards system in favor of so-called national safeguards such as are being now discussed in Brazil and in other nations. Such national safeguards may well be a useful complement to, but not a replacement for, safeguards system that has been administered globally by the IAEA for nearly 40 years. In the business of safeguards, there is genuine merit in a global standard; the case has not yet been made that a patchwork of regional or national safeguard arrangements would serve international security better than the IAEA regime.

Finally, I hope the administration will reconsider the wisdom of approving this export. If my advice is not heeded, the administration should certainly not use this export as a precedent to rationalize future exports to any non-NPT nation or to any other country with poor nonproliferation credentials. If this occurs, new legislation will clearly be necessary to restore some fiber to our nonproliferation policy.

The PRESIDING OFFICER (Mr. GLENN). Who seeks recognition?

Mr. KERREY. 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. PRESSLER. 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. PRESSLER. Mr. President, I shall proceed. I understand the majority leader is on his way to the floor. I will yield when he gets here.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If the Senator will yield, I was just about to announce that morning business is closed and under the previous order, if the Senator wishes to proceed in morning business, he must ask unanimous consent to do so.

Mr. PRESSLER. I wish to proceed to speak on campaign reform, if that is appropriate.

SENATORIAL ELECTION CAMPAIGN ACT

The PRESIDING OFFICER. I believe that would be appropriate after we go to the consideration of S. 137, which is the pending business beginning at 1:15. In fact, under the previous order, the Senate will now resume consideration of S. 137, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 137) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. PRESSLER. Mr. President, if I may proceed for 3 minutes, I will yield to anybody who feels need for the floor.

I wish to make some general remarks on the issue of campaign reform. For many years this body has been in a debate over campaign reform. It is a popular topic. Everybody has their own point of view. To some people campaign reform means limiting the other side—or limiting the business PAC's and not the labor PAC's, or vice versa. So we have a very challenging task before us.

Regarding PAC's, I think that we could very well eliminate PAC's altogether. I understand it is now in the Democratic bill. This Senator had planned to offer an amendment to limit them or eliminate them. But they seem to be a major target of everyone interested in campaign reform. They have now been adopted in the Democratic bill.

Let me say that the issue of soft money is perhaps even more important. The New York Times calls soft money "sewer" money. It is a situation where there are many groups active in politics who are really not identified. Every time I receive a contribution in my campaign, I report it. But there are many groups that come forth with essentially campaign assistance that do not report it as such.

For example, recently in my State, the group Common Cause ran several ads tying the savings and loan scandal to some of the cloture votes we had on S. 2 on this floor 2 years ago. It seems to me that the ads were not only misleading on the facts, but it is a situation that should be reported as a campaign expenditure if it is done in the middle of a campaign.

There are other examples of soft money abuses. In fact, in the S&L debate the main complaints have been about abuses of soft money. I say complaints because I do not know all the facts surrounding those situations. But the public should know that many third-party groups and others use soft money to influence politics.

Also I long have been concerned about some of the so-called foundations that actively participate in politics. They do not report, in terms of who their contributors are or how much they are paying their people, whereas those who actually run for Federal office must make detailed reports. Sometimes the public is fooled by groups that call themselves "Citizens for Motherhood and Apple Pie" when actually they are somebody else.

Also in this debate on campaign reform let us remember that labor and business must be treated equally. On each side there are calls for limitations of this or that. But if we dig back into it, it is usually a candidate or a candidate's party's political base that is most affected. I think we have to seek a sense of fairness.

Finally, Mr. President, I hope on the issue of public finance that we realize we have a large Federal deficit. Let us try to find a way to do this with a minimum or no public tax dollars. I believe that if we are going to have limits; if we are going to change PAC's; if we are going to change soft money reporting, we can do so and there still will be sufficient money to be raised privately so we do not have to go to the public Treasury.

I believe that the American people will contribute to political campaigns and to political parties sufficiently if they have confidence in the system, and if they have confidence that their contributions will not be lost in an avalanche of bigger contributions. There are a number of other issues, such as eliminating the millionaire's loophole, that I think are very important. If we are going to limit people's sources of money, yet we allow a person to spend as much of his or her own money as possible, we are creating a situation where only multimillionaires would be able to run for the U.S. Senate.

So there are a number of very hard issues before us, as we are in the midst of a campaign year. I hope we pass a substantial bill. We stand on the verge of being able to substantially improve American politics. But let us remem-

ber that the individual contributor, the individual worker who wants to make a contribution, and the individual businessman, should have the freedom to do that without his or her contribution being treated differently than large soft money contributions, or any other contribution.

So, Mr. President, I look forward to participating in this debate. I had hoped to offer some amendments regarding PAC's, but the need for those apparently has been eliminated since some of the ideas that I and others had now have been incorporated into at least one of the amendments.

Mr. President, I note the presence of the majority leader on the floor. I yield the floor.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. the majority leader.

AMENDMENT NO. 2432

Mr. MITCHELL. On behalf of the Rules Committee, I withdraw the committee amendments, and I send a substitute amendment to the desk on behalf of Senator BOREN, myself, and others.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. BOREN, for himself, Mr. MITCHELL, Mr. FORD, Mr. KERRY, Mr. DASCHLE, and Mr. BRADLEY, proposes an amendment numbered 2432.

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

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

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

Mr. MITCHELL. Mr. President, today, the Senate again turns its attention to the issue of campaign finance reform. We have probably had more legislation introduced, hearings held, and floor debates conducted on this issue over the last 8 years than on any other issue on which legislation was not ultimately approved.

For years we have been told by some that there is no problem with the Senate election finance system. They maintained that legislation was not necessary; that the system worked just fine. We have been stalemated in oftentimes bitter partisan disputes over whether legislation was needed and what effect it would have on each party.

But I believe the situation this year is different. It is different this year because the American people have come to realize just how bad the election finance system is. By now, it should be clear to all of us that the system by which we finance political campaigns for the U.S. Senate is wrong. It does not serve our Nation well. It undermines citizen faith in our system of government. It must be changed.

The solution must be fair to everyone—challengers and incumbents, Democrats and Republicans, alike. I believe the substitute before the Senate today accomplishes that objective. I recognize, however, that some Members are uneasy about this. Republicans suspect that a bill written by Democrats must disadvantage them. I believe they are wrong. We have taken every opportunity to write provisions that are fair to both parties and to incumbents and challengers.

Nevertheless, we are willing to entertain constructive proposals on the Senate floor to improve this legislation. Already, in recent days we have made major changes to respond directly to Republican suggestions. We have taken out the public financing grants and adopted the proposal to ban political action committees. I invite Republicans to join us in enacting this important legislation.

In recent weeks, Democrats and Republicans have been meeting in negotiations to discuss possible compromises to this legislation. Those discussions were useful but they did not result in an agreement because we remain far apart on the basic issue of spending limits. I hope Republicans will reconsider their position on this issue. We have been, and continue to be, willing to compromise on every other issue. But we cannot agree to give up spending limits, for without a system of limited spending we will never stop the ceaseless pursuit of money. That is the key to real reform.

This substitute already represents a substantial compromise from what the overwhelming majority of Senate Democrats want to do and believe should be done to reform our election finance system—full public financing of Senate general election campaigns to remove special interest contributions entirely from the system.

We have compromised on that. But this substitute nevertheless represents a major reform of the current system. It includes the essential elements of true campaign finance reform: First, voluntary spending limits for Senatea primary and general election campaigns; second, limitations on political action committees; and third, prohibitions on the use of soft money to fund party activities that affect Federal elections. It also includes other restrictions on the ability of Federal office holders to raise unlimited amounts of money from interests with a role in Federal legislation.

One thing is clear, the only meaningful way to reform the Senate election finance system is to have limits on campaign spending. Anything less than that avoids the real issues and simply creates the appearance of reform.

In both the executive and legislative branches of Government, public officials are consumed with the unending pursuit of money to run election campaigns, to fund party organizations, to help colleagues raise campaign funds. The pursuit of money takes an ever increasing amount of our time and resources, intruding in ways both large and small, direct and indirect, on our responsibilities as legislators.

In the 1988 Senate elections, incumbent candidates spent, on average, $4 million for their reelection campaigns. That requires raising $13,000 a week, 52 weeks a year, for 6 years. Every election those numbers get higher and higher. They will continue to escalate still higher until reasonable limits are placed on campaign spending.

We could eliminate PAC's, reduce out-of-State individual contribution amounts, limit the participation of private organiations in the political process, impose special rules on broadcast stations, and make many other changes—but without spending limits we will not have addressed the real problem.

The legislation that we offer today will directly address the problem by establishing a system of voluntary spending limits for Senate campaigns. Senate candidates will be encouraged to agree to such limits by the use of broadcast vouchers, low-cost mailing and lower broadcast rates. In addition, contingent public financing will be available to candidates who agree to spending limit if their opponent exceeds the limit. PAC's will be put out of business. Campaigns will be encouraged to directly address issues, rather than make negative attacks, by two provisions in this legislation. The first requires a candidate for the Senate to appear at the end of the ad to take responsibility for the broadcast. The second provides for broadcast vouchers, amounting to 20 percent of the spending limit, to be made available to a candidate to be used to purchase air time of at least 1 minute but no more than 5 minutes.

This is a balanced approach that is fair to Democrat and Republican, challenger and incumbent alike. It is a comprehensive effort to restore Senate elections to the American people by stopping the spiral of ever increasing spending and distancing wealthy individuals and political action committees from the process. This is real reform of a discredited system.

SPENDING LIMITS

There are many ways to improve the current campaign finance system. But only an overall limit on campaign spending will address the central problem with the current system. As a result of the 1976 Supreme Court decision in the case of Buckley versus Valeo, candidates for Federal office

cannot be compelled to limit their spending. Instead, such limits must be voluntarily agreed to.

A commonly expressed criticism of spending limits is that they benefit incumbents. That can be the case if the spending limits are set so low that a challenger does not have the financial resources to reach the voting public. On the other hand, if spending limits are set sufficiently high that a challenger can communicate effectively with the voters, any system of limits will principally benefit challengers, because it is incumbents who now have the greatest access to money and will thus be most affected by spending limitations.

This legislation would establish reasonable limits on general election campaign spending, ranging from $950,000 in the smallest States to $5.5 million in the largest States. An additional 67 percent of that amount, up to a maximum of $2.75 million, could be spent in primary election campaign. General election spending could be an additional 25 percent higher, to the extent that candidates raise small in-State contributions from individuals.

This should be enough money to enable challengers to get their message across without distorting the election process.

Under the current system, incumbents have an overwhelming advantage over their challengers in raising campaign funds. It is rare for a challenger to raise and spend more money than an incumbent Senator.

Increasingly, Senate elections are decided by the fundraising capacity of the candidates. That is a system tailormade for incumbents because they almost always have more funds to spend in an election.

The numbers bear this out. Let us look at the record. From 1984 to 1988, Senate incumbents outspent their challengers by more than two to one—that difference amounted to $140 million over a period of three elections. There were 55 races involving incumbents and challengers in the 1986 and 1988 elections. Incumbents outspent challengers in 51 of those races by a total of more than $100 million. Let me repeat that of 55 races in the last 2 Senate elections in 51 out of 55 incumbents out spent challengers by more than $100 million. It was no accident that challengers lost 80 percent of those races.

Opponents of spending limits have advanced the argument that limits penalize challengers because every once in a while a challenger comes along who can raise almost as much money as an incumbent. Proof for this view is sought by citing evidence that 6 of the 11 winning challengers in the 1986 and 1988 races spent more than the limits in this proposal. While that may be true, that is a selective use of statistics because it ignores the fact that in the case of four of those challengers their incumbent opponents spent even more.

There can be no question about it. The spending limits in this proposal apply almost exclusively to incumbents, not challengers. It is incumbents who will be limited by this proposal, not challengers.

In the 1986 and 1988 Senate elections, only 12 of 55 challengers were able to even spend as much as would be permitted under this proposal. That is, 43 of the 55 challengers spent less than the amount of the limit that would have existed had this legislation then been law.

In fact, 30 out of the 55 of those challengers did not even spend half of the limit provided for in this bill.

This substitute addresses the handicap challengers have, not only with spending limits, but also by giving challengers the ability to mount effective campaigns. No one should underestimate the importance of this. It is unprecedented that incumbent Senators should propose this kind of mechanism to restore competitive balance to Senate elections. It is a measure of our dissatisfaction with the current system that we propose this comprehensive legislation.

In addition to voluntary spending limits, this proposal includes several other far reaching proposals to improve the election finance system.

POLITICAL ACTION COMMITTEES

Political action committees would be abolished. A backup provision is included if this is ruled unconstitutional. In that event, nonconnected PAC's would be permitted to contribute up to $1,000 per election. This is a controversial proposal that is opposed by many groups. I believe political action committees have a legitimate role in the campaign finance process. Many PAC's bring together thousands of small contributors to participate in Federal elections. PAC's give voice to the concerns and interests of their members and that is an appropriate role to play in the American political process.

At the same time, however, PAC's have come to play too large a role in Federal election finance and too large a role in the legislative process. The influence, and the perception of influence that they exert on Congress has served to undermine public faith in the integrity of Congress. Clearly something must be done to change this relationship. Because we are proposing to provide Senate candidates with alternative resources to run their campaigns, we propose to prohibit PAC contributions to candidates.

SOFT MONEY

Another important part of this legislation deals with the problem of soft money. As Federal law has imposed restrictions on the amount of money spent and raised in connection with Federal elections, increasing use has been made of so-called soft money used outside the limits of the law. These soft money funds are spent for State, local, and national party activities which theoretically do not directly benefit a candidate for Federal office and are therefore not covered by the limits of the Federal law.

In reality, however, soft money is often used to circumvent Federal election law limitations. These unregulated funds from corporations, unions, and wealthy individuals are spent for voter registration drives, get out the vote efforts, and generic advertising often designed specifically to benefit Federal candidates. The last Presidential election witnessed a return to the Watergate era when wealthy individuals bankrolled campaigns for the Presidency. Both political parties raised more than $30 million outside the limits of the law, effectively ending the Presidential spending limits.

If permitted to continue, soft money will severely undermine Federal election law limitations, particularly if spending limits are imposed on Senate races. This legislation attempts to address this problem by bringing under Federal limits all spending which is in connection with a Federal election, including voter registration, get out the vote, and generic voter communication activities which may affect a Federal election.

This is a controversial provision which has been widely questioned because it requires certain State party activities which affect a Federal election to be funded under Federal rules. Questions have been raised about the rationale for federalizing activities which are ostensibly targeted on behalf of non-Federal candidates. Those criticisms are not without some merit but they ignore the circumstances which give rise to this legislation.

The fact is that substantial sums of soft money are being raised under current law to be spent on activities that affect Federal elections. Current law allocation rules are inadequate to the task of removing this money from the Federal election process. Indeed, any artificial allocation rules will permit substantial soft money to be used to elect Federal candidates depending on the circumstances of a particular election. Soft money would continue to be used in large amounts of $100,000 or more on behalf of Federal candidates.

In this legislation we have attempted to draw clear lines as to the types of activities that are Federal in nature. Money spent during the Federal election period to support such activities would have to be subject to Federal law. The same activities which occur during an election period not involving Federal office would not be subject to

Federal law. In return for imposing these tighter restrictions on State party activities we proposed to increase the contribution limits for State parties, raising individual contributions from $5,000 to $20,000. Federal candidates and office holders would in turn be prohibited from raising soft money.

I believe this is a reasonable approach to deal with the problem of soft money in Federal elections.

BROADCAST ISSUES

I am particularly pleased with provisions in this legislation that attempt to raise the level of debate in Senate campaigns. Too often campaigns for Federal office have degenerated into name calling competitions between candidates, where victory is achieved by the candidate who runs the most negative ads. By the end of the campaign the voters are turned off both candidates and adopt the attitude that they are voting for the lesser level. It is no wonder politicians are not held in the highest regard and the percentage of the population that votes continues to fall.

There are no magic answers to this. Candidates will continue to be as negative as the voters permit. And as long as they are successful, negative advertisements as a form of campaigning will continue. In this legislation we attempt to get candidates to think twice about running such ads by requiring the candidate to appear at the end of every radio and television commercial they purchase to inform the viewer who they are and that their authorized campaign committee paid for the ad.

We also provide broadcast vouchers for the candidates to use for up to 20 percent of the general election spending limit. These vouchers can only be used to purchase broadcast ads of at least 1 minute in duration—a time period that is less likely to be used solely for negative purposes.

CONTINGENT PUBLIC FINANCING

One of the difficulties of designing this legislation was to create sufficient incentives for candidates to voluntarily agree to spending limits without coercing such a decision to the point that the candidate really has no choice.

This legislation includes many reforms of the current system that amount to substantial restrictions on the ability of Senate candidates to raise and spend money for election. Those restraints are imposed independent of the voluntary spending limits because of the overriding Government interest in removing the appearance and the reality of improper influence in the political process.

Nevertheless, the most important part of this legislation is the option it gives candidates to campaign for the Senate in a system with spending limits. We do not expect all candidates to voluntarily agree to those limits but it is our desire to encourage enough candidates to participate that public faith in our election finance system is restored. This is not a substitute for the present system of unlimited spending but an alternative available to candidates who do not wish to be beholden to special interests and large givers and who wish to maximize their time spent on direct campaigning rather than fundraising.

We believe these incentives to participate in this alternative system will broaden the range of candidates willing to run for the Senate and attract individuals who are now repelled by the present unlimited financing system. In that way, it should increase political competition and political dialog in ways that are healthy for the system. The effect of the spending limits will then be to generate more political activity and diversity in our system. The spending limit option therefore should be seen as but a means to an end and certainly not an end itself.

In developing this legislation we believed it essential that candidates who choose to campaign under a spending limit not be exposed to the risk that this decision will undermine their candidacy. We deal with this in three areas.

First, candidates who opt for spending limits are provided resources to wage a credible competitive race. That includes reduced mailing rates, lower cost broadcast rates, and vouchers to purchase television ads amounting to 20 percent of the cost of the general election.

Second, candidates who opt for spending limits are provided additional resources to offset outside money that comes into a race from independent expenditures. Although many believe the current practice of independent expenditures to be a problem for Senate campaigns the issue becomes more acute where the candidates themselves agree to operate under a spending limit. The expenditure of money by groups not bound by the spending limit would clearly influence a candidate's assessment of whether to opt for spending limits.

Third, candidates who choose to be bound by spending limits are provided some protection against a candidate who decides to exceed the limit. This is provided in the form of contingent public financing. The limited public financing had to be structured in such a way that the candidate agreeing to the spending limit would not be disadvantaged by a last minute spending spree in excess of the spending limit by the opponent.

The legislation provides that once a nonparticipating candidate commits to exceed the spending limit, the participating candidate will receive public funds amounting to two-thirds the spending limit. We wanted to provide for smaller increments of contingent public financing but concluded that it would be impossible in the last days of a campaign for the Federal Election Commission to respond rapidly enough. Candidates would be aware of this deficiency and it would no doubt influence their decision whether to choose the alternative system with its spending limits. Therefore, in the interest of making this legislation work, we built in substantial contingent public financing.

Although some may choose to believe otherwise, the contingent public financing is not intended to force anyone to participate in the spending limit system but is instead designed to enable a candidate to prudently decide to be bound by limits while waging a serious campaign for the U.S. Senate.

CONCLUSION

Over the last few years, this body had had considerable discussion of campaign finance reform. In the last Congress we had eight cloture votes on legislation to impose spending limits on Senate campaigns. Members of the Senate have sharply divergent views about what changes are in order. Many Senators have insisted in the past that no changes are necessary.

This year is different. That has changed this year. I believe we are all fed up with a campaign finance system that requires a major effort by most of us to travel around the Nation in search of campaign funds from people we do not know.

It has now reached the point where many elected officials are scrambling to investigate the identity of their contributors over the past decade. They are looking at the names of people they do not know and in many cases have never heard of, but who are being closely associated with them by virtue of their campaign contributions. They are returning campaign funds and attempting to distance themselves from their own contributors.

The public is rapidly losing confidence in the Federal election campaign process. They question the integrity of this institution and its members.

How did we get ourselves in this situation? Is there a single Member of this body who fails to deplore this? Can anyone deny that we must rewrite our campaign finance laws?

The legislation we consider today gives us a way out of this dilemma.

We have gone this route before. But too many of us have resisted change out of a concern for the effects such legislation could have on the ability of one party or the other party to elect candidates to the Senate. It is clear that we have now gotten to the point that the worst alternative is to do nothing. Now is the time to enact campaign finance reform legislation and

restore the integrity of this institution and its Members.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, first, I say I am pleased that we have this matter on the Senate floor. As the majority leader indicated in the early portion of his remarks, it has been a long time, and we have had a lot debate and a lot of differences. This does affect every Member of this body who expects to run again for the U.S. Senate. It is important from that standpoint.

It also points up the difficulty. Every one of the 100 Senators wants to design a package that will fit his or her reelection. In my view, as long as that is going to be the criteria, there is no possibility of coming together.

But having said that, I think it is also fair to say there are certain areas that are rather clearly defined where we have rather clear differences.

The Democrats have touted inflexible, aggregate spending limits as the centerpiece of their own reform proposal.

The Republicans, on the other hand, have argued that the real culprit in the campaign finance reform debate is not the spending but the sources of campaign funds. It seems to me that the source of campaign funds, for instance, right now, all the folks who got S&L money, it is the source; it is not how much, it is the source. So what we are trying to do on the Republican side is take a look at the source, and, in our view, we think we have a better proposal.

But both positions are strongly held, the Democrats' position and ours are strongly held. Both have very forceful advocates, and both serve to highlight the wide gap that separates the two parties on an issue that is of immense importance, not only to the Senate as an institution, but to the very wellbeing of our democracy.

THE BIPARTISAN PANEL

Last week, I attempted to bridge the partisan gap by embracing the flexible approach developed by the partisan panel of campaign finance experts, who were appointed earlier this year by the majority leader and myself.

In its report, the bipartisan panel distinguished between potentially corrupting sources—we cannot seem to get the media to focus on sources, it is all spending—potentially corrupting sources of campaign financing, such as political action committees and big-money out-of-State contributors, and those desirable sources such as a candidate's own individual constituents, the home State voters.

Using the good money/bad money distinction, the panel then proposed a compromise solution: Flexible spending limits which placed an aggregate cap on campaign spending but retained enough flexibility to encourage contributions from the good money sources. That is what we are trying to do. The good money sources are not the problem.

Mr. President, last week in a Republican proposal, which was cleared by the group of five that I asked to negotiate with the group appointed by the majority leader, we adopted this bipartisan approach. We submitted it to the Democrats. It retained a complete ban on PAC contributions, which has been a key element of the Republican reform plan from the beginning.

It provided for a reduction in the out-of-State individual contribution limit from $1,000 to $500.

And, perhaps most importantly, the proposal called for the creation of flexible fundraising targets establishing an aggregate cap on those bad money sources recognized by the bipartisan panel—personal funds, contributions from out-of-State individuals in excess of $250, and contributions from PAC's, in the event that the Republican PAC-ban was ever declared unconstitutional by the courts. So we believe that we made a good proposal.

"GOOD MONEY" SOURCES

The Republican proposal did not place any restrictions on contributions from individuals residing in a candidate's home State.

Contributions from individual constituents are, very simply, the best dollars in politics. And I challenge anyone to say that the voters of this country should be shut out from contributing to a candidate from their own State.

I do not believe we should have any limits except the one announced limit that is now in effect on other limits. When it comes to contributions from somebody in my State of Kansas, I should not say no, I cannot take your $15, $25, $30 because I have this arbitrary limit.

The Republican proposal also did not cap out-of-State individual contributions of $250 or less.

Experience tells us that small out-of-State contributions are not made to gain access to the decisionmakers here in Congress. They are not made to curry favor with congressional incumbents.

They are made out of a personal commitment to a political cause, and they are given to those who support this cause in Congress.

In my opinion, that is good political money, and it should not be hamstrung by mindless restrictions.

WALK THE "EXTRA MILE"

Mr. President, with this proposal, Senate Republicans believe they have walked the extra mile. We made a sincere effort to close the partisan gap here in the Senate.

And it had been my hope that the Republican proposal would be well received by my colleagues on the other side of the aisle, and perhaps could be used as the basis for a resumption of bipartisan negotiations.

Well, I was wrong. My colleagues on the other side rejected the proposal. Some were even quoted as saying it did not amount to much. Well, those are rather harsh words, rather harsh rhetoric. It is still my hope that as we offer amendments and as we take a look at this bill, there will still be some way to come together to preserve the principles that each side feels very strongly about.

I do believe that the Democratic acceptance of the Republican PAC ban does change one big piece of the puzzle and that is a step in the right direction. I congratulate my colleagues on the other side.

But I think, perhaps notwithstanding the statement by the majority leader, if we had only that and the rest of the so-called Democratic proposal, we still are going to have spending limits in my view that stifle challengers, promote incumbency gridlock, and guarantee a Democratic majority in the Senate for years to come.

We are still stuck with a partisan bill that does nothing to stop soft money abuses of corporations, labor unions, and so-called tax exempt organizations who hide their partisan political activities behind tax exempt status.

We would still be stuck with a bill that places yet another burden on the taxpayers by forcing them to partially finance political campaigns with something called "broadcast vouchers." And most importantly we would be stuck with a bill that everyone knows is not going anywhere, since it is a spending limits bill that President Bush simply will not sign.

Mr. President, let me make it clear as my colleague from Kentucky has made it clear last week and the week before and months before, Republicans have no intention of filibustering S. 137. That is not in our strategy. We are going to try to be helpful and try to be cooperative and try to offer amendments and see if we cannot improve the matter pending before the Senate.

But, we are going to offer amendments. Many of these amendments were based on a Republican 34 point program of reform, 34 different points in our reform proposal which was introduced this past May.

These amendments will eliminate the taxpayer financing provision that remains in the Democratic bill. They will promote competition in politics by allowing the parties to give seed money to viable Senate and House challengers. They will close the millionaire's loophole that allows wealthy candidates to buy congressional seats in effect.

That is the Domenici proposal, I might add. The Senator from New

Mexico just entered the Chamber and reminded me of that.

They prevent Members of Congress from sending out franked mail during an election year.

And they will ban nonparty soft money—a provision that is noticeably absent from the partisan Democratic bill.

So I would just urge my colleagues on both sides to keep an open mind. We have a way of getting together sometimes around here where each side can, in effect, preserve their principles. Ours are very strongly held and so are the principles on the other side. But I believe if we can adopt a number of amendments then we might get around to working out some final compromise. Maybe not. We are not going to sacrifice principle, and I doubt the other side will sacrifice what they believe to be principle.

But now I think we have before us a piece of legislation that is flawed in many ways. It can be corrected by amendments and I look forward to debate. As someone who has been engaged in a lot of fundraising activities, I do not like it. Nobody likes it. We do not like to raise money. It is demeaning to call somebody on the telephone, in my view, and I do very little of it but it is still necessary if we are going to raise the money.

It is not so much, again, the spending limit.

I was told today by the Senator from New Hampshire, Senator RUDMAN, how the cost on television in the Boston TV stations has gone from, I think, $5,000 for a 30-second spot it is going to be over $20,000 for that same 30-second spot in the year 1992.

Now if we are going to have spending limits, as proposed on the other side, it seems to me it is not the spending, it is the costs. It is the cost of campaign, it is the cost of television, it is cost of everything you do in politics just as the cost of everything else. And that is why we have not adopted that approach.

But having said that, my view is we are dealing with this at an appropriate time. There is a considerable amount of interest beyond the beltway in campaign finance reform. I think taxpayers and our constituents are asking a number of questions. Hopefully they can be addressed in the next 2 or 3 days.

Mr. BOREN. Mr. President, I thank the chair and I thank the distinguished minority leader for the comments that he has just made. Likewise, I thank the distinguished majority leader for the comments he made in presenting the lastest version of our proposal for consideration by the Senate.

This is a moment that I have been waiting for personally for a long time. I was just checking the record, and it was on June 8, 1983, when Senator Barry Goldwater, then a Senator from State of Arizona, one of the most respected people to ever serve in the U.S. Senate, joined with me in laying down a bill which would have attempted to limit special interest influence in the financing of campaigns. That bill would have placed an aggregate limit on the amount that any candidate could have received from political action committees. So the subject that we are discussing today, campaign reform, is a subject that has been of great interest to me for a long time.

I began this discussion today with high hopes that we will eventually have the will of the Senate worked, the best thinking of the Senate brought together in the course of the next few days and we will finally have an opportunity to enact real campaign reform and send our proposal to the other side of the Capitol, where I hope it will be responded to favorably, and then on to the desk of the President of the United States, where I hope it will reach the President in a form that he will decide is in the best interest of this Nation and sign it into law.

There are some issues that come before us, Mr. President, that could be described as political issues. There are times in this body when it is considered fair for one party to seek an advantage over another party; where it is proper, in order that we might show to the American people and demonstrate to the American people philosophical differences between the two parties, for us to engage in partisan competition. There are times when it is, perhaps, fair to employ all of the tricks of the trade to try to make sure that issues are only framed in a certain way and that only certain options are allowed to come before the Members of the Senate to vote on them.

Then there are other circumstances, Mr. President, in which we are called to a higher duty, in which we have a higher responsibility, in which higher standards should govern our conduct. Those are issues in which we are called upon to act not as Republicans or Democrats, not as people who hold political offices and engage in political competitions. We are called upon on some occasions in this body, and I think most us recognize those occasions when we see them, to rise above politics as usual, to surmount the divisions that are sometimes present between us and to come together in a united way to act as trustees for all of the people of the United States in the preservation of the essence of our constitutional system.

We are sometimes called upon to act as U.S. Senators; as representatives, not of political parties, but as trustees of the American democratic system, as trustees for the Senate of the United States as an institution, so that we can be assured we will fulfill the role and purposes intended by the framers when they provided for a U.S. Senate in our Constitution.

This is one of those moments when we are called upon to put aside our differences, our own personal political agendas, even our own personal political self-interest or the interest of our parties, and do what is right for the country, do what is right for the Constitution, do what is right for the U.S. Senate as an institution. We have come to that moment.

The Senate begins debate on an historic piece of legislation at a time in which all of us on both sides of the aisle can say with one united voice the current system of campaign financing is not working. I will be very surprised, Mr. President, if a single person comes to the floor in the course of our debate this week, over the next few hours or the next few days until we finally reach a conclusion, to argue that the present system is not fatally flawed.

All of us on both sides of the aisle believe so. We have just heard this from the distinguished Republican leader and distinguished Democratic leader, both saying something is wrong with the current system. We recognize the election process is the heart and soul of our democratic system, that it is through the election process that the people of this country have an opportunity to express their views and to have a role in their own Government; that it is because of the election process that we say we are a country where the people govern themselves.

Since we are prepared to say, in a bipartisan fashion as we begin this debate today, Mr. President, that something is wrong with the system that is at the very basis, the first building block on which our whole constitutional system is based, then we should also be prepared to say with one voice that, as hard as it may be, we must all be prepared to work here on the Senate floor over the next few days to reach decisions, to hammer out compromises, to consider amendments until finally in the end we can come forth with a proposal that will truly change and reform the system and restore vitality and integrity to the election process in this country.

We must not shirk our duty to the people. We must not shirk our duty to keep our oaths to uphold the Constitution. We must be prepared to stay here and do the people's business and not let the people down and not stop and not go on to other legislative duties until we have finally enacted real campaign finance reform.

As I said, I began this debate with the highest hopes I have ever had. I remember on the first day Senator Goldwater and I introduced our bill, we were talking between ourselves. We were saying to each other how we expected to be greeted with laughter.

They were going to say: There are a couple of Don Quixotes for sure, with a proposal like that. We felt strongly enough about it that we wanted to go forward anyway. I remember, again in our private discussions, we said if in this first year of trying to focus the attention of the American people on this issue we could even get 20 Senators to support our cause we would consider it to be a moral victory.

I will never forget the first discussion our two caucuses had on the Boren-Goldwater bill. I went into the Democratic Caucus. My colleagues said almost with one voice, to me: How in the world could you agree to cosponsor a bill like this with Senator Goldwater? Do you not know you have allowed yourself to walk into a Republican trap, to sponsor a bill with Senator Barry Goldwater on this subject which would limit the influence of political action committees?

Senator Goldwater walked into the Republican Caucus. When the meetings were over he came and reported to me. He said that is one of the roughest meetings I have ever been in. Almost every single member of the caucus spoke up and said to me: Senator Goldwater, how could you begin to allow yourself to walk into such a Democratic trap as to sponsor this pro-Democratic bill with Senator BOREN?

Barry and I agreed on that occasion that it would have been wonderful if we would have been able to pipe in the debate from the Republican caucus into the Democratic Caucus, and vice versa, since we were each accused of walking into a political trap opened by the other side.

We were not trying to do something, quite honestly, for Democrats or for Republicans. We were trying to do something for America, and that is still the goal of true campaign finance reform.

But there has always been the hesitation. When we are talking about changing the rules there are always those on each side of the aisle—in fact there are 100 different views of it, as many different views as there are Members in this Chamber—and all are concerned that any change, particularly if it is a way that that particular candidate or that particular party has been conducting himself or itself, will end up favoring the other side. Somehow we, in the course of this debate, must try to rise above those partisan suspicions and find a way to trust each other and work together in a bipartisan way to craft something that will not favor one party or another and will end up serving the interests of this Nation.

I do not for a minute think it would be wise for those of us on this side of the aisle to try to ram a bill through the Senate of the United States that strongly favored our own political party. I know, for one thing, the President of the United States, who is of the other political persuasion, would not be about to sign a bill that would be demonstrably favorable in an unfair way to my party over his. I would not blame him for taking that position.

So it would be just a waste of time for all of us concerned, on either side of the aisle, to try to play political partisan games. The majority of the Senate and the House happen to be of my political party. I am sure, just as we cannot expect the President to sign a bill that would favor our party, those on the other side of the aisle understand the majority in both Houses would not be about to pass a bill that would be to our detriment in an unfair way.

Mr. WIRTH assumed the chair.

Mr. BOREN. Mr. President, so we must find a way to be evenhanded. When we say we want real campaign reform, and we want to pass it, in the course of this debate, it should be understood that we do not mean by real campaign reform something that will favor one party over another, even something that would favor our own political party. It must be right for all of the people, for both parties. It must meet the test of fairness. It must stand the light of day.

I believe we can do that. Why do I say I am the most optimistic I have ever been, having been involved in this bill going back to the Boren-Goldwater bill, going back to early votes on that particular legislation, and we were not ever able to get a meaningful vote framed on the Senate floor on that particular bill? We finally did struggle up to 37 supporters at least who indicated support to us in private. We later had S. 2 in the last Congress which had a record number of cloture votes, as the majority leader has already indicated. We had at the high-water point something between 55 and 57 votes for that bill but were never able to get the full 60 votes necessary for cloture, as there was a filibuster conducted on the other side of the aisle.

So I have been through discouraging times with this legislation in attempting to pass it. I think I am a realist about how difficult it is to get people who are part of a political system to change the rules by which they have learned to live and succeed in politics. But I think it can be done.

For one thing, the times have changed. The American people now understand the need for reform. There has been too much the appearance given to the American people and, indeed, to the world, that money plays too great a role in American politics. There is the perception that people are giving campaign contributions and raising large amounts of money, not just because they want good government, but as someone once said very humorously, "For a large campaign contribution, you not only get good government, you get a whole lot more." And by that they meant access to those who have to make the important decisions on the issues of the day.

All of us who hold public office who did not come here because we desired to spend a great portion of our lives raising political contributions but came here because we hoped to perform a public service to help the people of this country, we are also victimized by the current system. When you have to raise millions of dollars, you have to begin to raise a lot of that money from people you do not know, from States outside your own State, and there is no way you can know all about those people from whom you are receiving money. There is no way that you can learn what they might do in the future after you have accepted campaign contributions from them.

So sometimes 3 years, 5 years, 10 years even after accepting a political contribution, if that contributor does some things wrong, the appearance is given that somehow that Member of Congress must also be at fault for having taken a campagin contribution from someone with whom they were not very familiar. The more money we have to raise and the more we have to go across the United States into States where we do not know the people very well in order to raise the average amount of moeny to run a campaign, more and more of that is going to happen. So the people are saying, "Enough." Enough; that is one of the things that has changed. The people themselves are saying we want something done.

The most recent poll taken this year indicates that 85 percent of the American people say, "We want a limit on campaign spending"—85 percent. "We want something done. We do not want the image that our Congress is for sale. We do not want the image that we have a Congress because of so much money being required to run for office has to be filled with full-time fundraisers and part-time Senators and Congressmen. We have had enough. We want something done." And the people are right.

That message from the people deserves to be heeded by us. They deserve for us to stay here until we write a bill that does something to reduce the influence and the impact of money on the political system of this country.

So I am more optimistic than ever because the people are beginning to be heard from, not softly, but loudly, on this issue. I am more optimistic than I have ever been because of the spirit that has been engendered on both sides.

The Senator from Kentucky and I have argued this issue for a long time.

We know each other well. We would be well acquainted if we had only known each other in the course of debates on this issue. But I have to say that I am encouraged. I have heard him say that there is no desire on the other side of the aisle to filibuster a bill. There is a desire to let the Senate work its will.

The distinguished Republican leader, Senator DOLE, has said we are not going to filibuster. We are going to vote up and down on these issues and what is left at the end of the process, we are going to let the Senate vote on it.

The majority leader, Senator MITCHELL, has clearly indicated, showing good faith on his side, that as long as there is not the use of a delaying tactic on the other side or a filibuster, indirectly as well as directly, that he has no intention of choking off, through the cloture mechansim, the right of those on the other side to offer their amendments freely, to have their point of view heard and debated.

That is the way the process ought to work. If we are going to have a bipartisan bill and we are going to write something that is right for this country, if we are going to have true campaign reform, that is the only way it is going to happen: For those of us on both sides of the aisle to act in good will.

I want to repeat again what the majority leader said, we are prepared on this side of the aisle to allow amendments to come, to let them be considered, and as long as there is no attempt to offer amendments purely for the intent of delay but out of trying to get the issues resolved, we will allow that process to work. We will try to find a common ground anywhere we can.

So I am encouraged by the procedural attitudes being reflected on both sides of the aisle. I am encouraged by the attitude of both the Republican leader and the Democratic leader about this process—a no-filibuster pledge and a pledge not to use cloture and other procedures to stifle the ability of those on the other side of the aisle to have their amendments fairly heard and disposed of through deliberative action.

I am encouraged also, Mr. President, by the fact that we have been able to get those on our side of the aisle to move in a very dramatic way to try to meet some of the objections that have been raised by the opposition to our original proposal.

When I first had a discussion with Mr. Boyden Gray, the Chief Counsel to the President, the one thing that Mr. Gray told me that was uppermost in the mind of the President of the United States was that he wanted a total ban on political action committees; a total ban on political action committees.

Mr. President, we understood from those on the other side of the aisle when we first begun to prepare for the amendment process on this bill that that also was the amendment that they intended to offer first. According to Senator DOLE, he said they want to offer that amendment first. We went back to our own negotiating team and, led by the majority leader, we reached a decision, not an easy decision on our side of the aisle because it is well known that, in the aggregate, Democrats have received more political action funds, at least in recent election cycles, than have Republicans. That is not unusual because political action committees tend to favor giving to incumbents over challengers by more than a 4-to-1 ratio. Since there are more Democratic incumbents in the House and Senate, it is not surprising that more political action committees would be going to Democrats.

So we decided, Mr. President, as a gesture of our desire to get a bipartisan bill that we would adopt in this draft, and it is in this draft, identical language used by the Republicans in their own proposal which I must say includes several good propositions. We have tried to incorporate several of them into our bill. There may well be others that can be offered in amendment form which will receive strong bipartisan support. The more proposals we can get unanimity on on both sides of the aisle, the better, as far as this Senator is concerned. We put in the exact language from the Republican proposal banning all political action contributions not only to candidates but to parties and other entities as well.

We adopted very similiar language to theirs as a standby mechanism to use in case our total ban on PAC's in both proposals happened to be declared unconstitutional.

Then, Mr. President, we were told that another one of the items that was of great interest to them was the degree to which we had increased the amount of public financing in our original draft. As the Senator from Maine has said a few moments ago, there is very strong support on our side of the aisle for public financing. A number of people at our party caucus have argued for it quite forcefully as the only way of removing special influence completely from campaigns in the general election.

But we understand that was a sticking point on the other side of the aisle, and we have removed the concept that there would be automatic provision of cash out of the checkoff fund equal to approximately 60 percent of the spending limits set forth in our bill for those candidates that were the nominees of their party that accepted the spending limits.

We retain in our bill only the benefit of lowering mailing rates and the provision of vouchers for certain kinds of television time, largely as proposed by the distinguished Senator from Missouri [Mr. DANFORTH] again as a show of our desire to have a bipartisan proposal.

So we have removed two major items that have been indicated by the other side could be roadblocks to agreement, two items on which it was not easy at all to get agreement on our side of the aisle, two compromises that we offer in the very beginning that some would face with a lot of misgiving, and yet we have done it. Why have we done it? We have done it because we want a bill.

I can assure you this Senator did not come to the floor today any more than he came to the floor on June 8, 1983, with Senator Goldwater for the purpose of making partisan points. This Senator came to the floor. As did I believe the majority leader—and I take it in good faith the minority leader, and the Senator from Kentucky—because we want a bill, real reform, and we want a bill the President will sign into law. It would be a waste of our time to come to the floor for rhetorical purposes and to merely engage in partisan political competition.

So I am more optimistic than I have ever been. The people want change. The people are demanding it. Eighty-five percent of the people want limits on spending. Both leaders on both sides have said we are going to have an open process, allow the amendments to come, no attempts to filibuster, and a final vote on this bill in the end.

We have already begun by having some important compromises offered on our side of the aisle, including putting in our draft that element which the President of the United States through his legal counsel indicated to me was the most essential element of all, a total ban on political action committees.

So, Mr. President, I am optimistic, and I hope and I pray that we will succeed. We have so much to be proud of as Americans. We have been an inspiration for the changes that have come in the rest of the world.

We all remember when Lech Walesa came here to speak to us and he began with the words "We the people." He said those are American words, but we have taken them as our words because they reflect the kind of political system that we want to have, they are the words that have inspired us in times of trouble and difficulty in the long decade through which we struggled for the right of free expression.

We should take great satisfaction that when the students in China and Tiananmen Square wanted to find a way of expressing to the world what it was they were fighting for that they chose our symbols, the symbol of the Statue of Liberty, representative of

our political system, to say to the world why they were risking their lives and why they were struggling.

This last week, we had the acting Polish Ambassador come to speak to the college interns who are working in my office this summer. I must say to my colleagues it was an emotional moment for me, as well, I am sure, for the students who have been working in my office this summer, to hear him talk about what they have been through. Here was a man 53 years old who in the years of his elementary schooling had seen the Nazi troopers come in and take over his country, had seen his classmates hauled off to concentration camps out of the elementary shool classrooms, and then as he moved on into his secondary high school years and his college year, the Stalinist troops came in and there was repression and he was unable to express himself freely. And now, having lived more than half a century, for the first time in his life he has a right in his country to express the views he wants to express and, not only that, to control the destiny of his own government through the political process.

He said to us, "You American were our inspiration."

Mr. President, how proud we can be. No country, no country's ideals have ever moved the world as much at any point in the world's history as American ideals have inspired and led the rest of the world to the massive changes that have taken place in the last year. And we can hold our heads high having made that contribution.

At the same time, there are troubling aspects of it because, as I listened to that acting Ambassador from Poland speak to us, I kept asking myself and saying to myself, have we come to the point in which we now have to learn about our own ideas? Have our own ideals been revitalized by listening to other countries? You look at it. We have inspired others to fight for the right to vote. In the last off-year congressional elections 37 percent of the people turned out to vote. This year in West Germany, 95 percent of the people turned out to vote. In Nicaragua, where there were threats of violence, 90 percent of the people turned out to vote.

These people who we have inspired with our ideals around the world are in many ways acting in ways truer to our ideals than we are ourselves.

Why is it the people have become cynical about the political process in our country and why is it that they no longer take an opportunity to participate? Why is it, even when they do not have to risk their lives, as you have to risk your life in some countries where I have been as an election observer, to go vote, they do not take the time on the way home from work or to turn off the afternoon soap opera to participate in the political process.

I think much of it has to do with the way the political system has been corrupted, and much of that has to do with the image that people have of their own government; much of that has to do with the amount of money that is being poured, through every available means, from every special interest group, into the political process. No wonder people have become disillusioned about campaigns. The sky is the limit as far as campaign spending is concerned.

When I first came to the Senate, it cost an average of $600,000 to run for the Senate. That is in the report. In fact, the actual amount is $609,000; in 1976 that was the average amount spent to run for the Senate; 12 years later, in the last election cycle, 1988, over $4 million.

If you just take the current rate of increase, and when you look at how much it cost to win, not just the average amount spent, but let us look at the average amount it cost to win a Senate seat, if you project that on out, 12 more years from now, 15 years from now when those who are graduating from high school this year will be old enough to run for the Senate it is going to cost in the neighborhood of $15 million.

How can we expect people to remain idealistic about our political system when they see that it costs so much and you have to go out into places where you do not even know the people to raise $4 million. I could not raise $4 million in a State like Oklahoma right now with the economic conditions that they have. And so candidates have to go out all across the country.

They look at something else about our system that is not working. They look at the great advantage that incumbents have over challengers and how difficult it is for a person with a new thought, with a new idea, to get elected to the Congress, the House or the Senate. And no wonder, because under a system in which the sky is the limit, in which people can raise as much money as they can with no limits whatsoever, incumbents are almost always going to be able to outraise challenges. As Senator MITCHELL said, this is no hypothesis. In 51 out of the last 55 of the last Senate races that was the case, incumbents outraised challengers.

Incumbents outraised challengers. They were able to raise over $2.50 for every $1 raised by challengers in the last Senate election cycle. So if we want to do something to open up the process—this is something quite honestly I do not say as a partisan point; I say it to plead with my colleagues on the other side of the aisle who somehow seem to think that putting over some kind of overall spending limit is designed to hurt over their party.

For their party which has fewer incumbents, which is out of power in both Houses of Congress, why in the world would they not favor a system that would put some equality back into it between challengers and incumbents? Why in the world would they favor a system that allows incumbents to outraises challengers $2, more than $2, for every $1 that challengers can raise?

I can say with all honesty—and again I say this not as a partisan Democrat; if I were a member of the minority party in either House of Congress, looking at the ability of incumbents to always outraise and outspend challengers, I would be the first person to be for some kind of limit on the runaway spending process.

So we have a perception out among the people that it is really not the voter that counts; it is the contributor that counts, and the bigger the contributor the more they count.

How many people really think that on a busy day around here, if there are two people wanting to go in, and that Senator or Congressman has 10 minutes of his time available, that some average voter off the street will have just as much chance of getting in to see that busy Congressman or Senator as that individual who gave $1,000, or maybe members of his family gave $10,000, or maybe he is the head of a PAC that gave $10,000, as opposed to an average citizen off the street that had not been able to give $5, or just perhaps a voter?

I say perhaps a voter—it should be the voter who is the driving force of the whole system, not the contributor. We need competition for public office, not based upon who can raise the most money, but who has the best ideas, who is best qualified, who is best prepared to serve the country.

So it is no wonder that people have become cynical about the system, and it is no wonder that they have called out for real reform. What does real reform include? I have already indicated I think real reform includes some kind of overall constraint on runaway campaign spending. Does that mean that the limits set forth in the legislation that we have introduced today in S. 137, that these limits, as far as we are concerned, are engraved in stone, that they cannot be changed? Absolutely not.

Mr. President, we are prepared to sit down with those on the other side of the aisle and talk about what the limits ought to be. Does it mean we are not prepared to consider some kind of system that might lower the amount that individuals from out of State could contribute, versus the amount that those in State could contribute; that might in some way put the greatest restraint on out-of-State contributions, as opposed to in-State contributions; that might not in some way exempt from our spending limits

or at least provide some kind of a flexible spending limit for smaller in-State contributions? Not at all.

We are willing to look at any of these details as long as there is some effective overall final constraint that when we pass this bill, we can say yes, the bill do something to reduce this money chase which makes us into full-time fundraisers and part-time Senators.

As long as we can say there is some effective overall constraint, we can look at the details. We can make changes. Let us hope we will find a formula for bipartisan agreement. But we cannot turn our backs on the American people when 85 percent of the American people say when we talk about campaign reform we mean some kind of limit on runway spending.

We cannot do our duty by the people and just disregard that, and say oh, well, put the name campaign reform on some bill number and say we have done our duty when we have not done anything to really stop the money chase. Let us work together for real reform, and let us work together to find a way that will stop the money chase, but hopefully find a way that will be acceptable and a formula that will be acceptable to both sides of the aisle. I think frankly we have been moving toward that.

Second, we have to be concerned about where the money comes from. Too much of its has come from special interests; too much of its from out of State. Over half the Members of Congress elected last time got more than half their money outside their own States, most of it from political action committees.

I do not think there is any disagreement on this on both sides of the aisle. We have been absolutely prepared to accept the provision banning all PAC's, and that is the bulk of the largest amount of the out-of-State money.

Finally, we have to look at soft money and other loopholes, including independent expenditures, bundling, millionaries loopholes, and other problems. I know from discussions with the Senator from Kentucky that he and I both share a desire to do something with these kind of problems. I think we can work together and fine tune these kinds of solutions that will really work in areas like independent expenditures and bundling and other problems that we face.

Soft money; we must do something about soft money. It has been estimated that each 1988 Presidential candidate, for example, raised $20 to $30 million through the State parties. It has been estimated as much as $50 million in the last election cycle went into State parties for the purpose of influencing Federal elections in either the House or the Senate.

There have been released by the other party the names of 249 people that gave $100,000 or more, when we thought the system was only supposed to allow $1,000 contributions in congressional races, and a total limit of $25,000 on what any individual could give in terms of soft money.

Yet, a list of 249 has been released who gave $100,000 each. I might say I am not pointing to them because they could easily release a list of a similar number of names—those who contributed to the Democratic Party in the last election that also gave amounts like $100,000. They are doing it through the soft money loophole instead of giving it to a candidate directly.

The State party committee, for example: $100,000. That State party committee spends it to at least indirectly influence Federal elections, vote Democratic, vote Republican, phonebanks for targeted precincts where you know your voters are.

So millions of dollars are going in through this soft money loophole. It has been called sewer money by those of us on both sides of the aisle. Let us unite and do something about it.

In the first Republican proposal, they allowed individuals to give to party committees, State party committees, without being under the $25,000 limitation of total campaign contributions in a year. That would have allowed $20,000 to go to each of the State party committees and to national party committees.

Total that number, and it is $680,000. In any one year, double that for a husband and wife in a 2-year election cycle. I do not think they intended that. They have been working on that. We have to make sure, and we do it by defining soft money like we define hard money; putting it under the limits of how much an individual can give to State parties.

We understand when you give money to a State party when a Federal election is going on with State candidates running at the same time that we have to consider that money is also being spent to impact the Federal elections. So we bring it under the limits. We treat it as if it were hard money, not soft. We bring it under the limits in place in current law to limit what you can do to influence Federal elections.

We have to work on that real reform. We have to work on some kind of overall effort to end the money chase. We have to control where the money comes from, reduce the influence of the special interests, and I think we are doing that on both sides of the aisle. We have to work on soft money and other loopholes.

We should try to change the quality of campaigns themselves. The Senator from Missouri [Mr. DANFORTH] eloquently talked about this. There is the 30-second spot that has become typical of campaigns, character assassinations, negative messages, without the candidates being required to be on that spot themselves. They can hire actors to say bad things about his or her opponent without even claiming responsibility.

The Senator from Missouri has suggested that we have vouchers given for a period of time. He suggested 5 minutes, a 1- to 5-minute spot in this bill, and not 30 seconds. There is nothing magic about it. Perhaps it could be improved.

I hope the Senator from Missouri will come forward with other improvements. We need longer time slots, not just 30-second slots where you cannot really say very much about meaningful discussion of an issue if it is mainly used to attack the opponents.

We need longer time slots, and also a requirement at the end that if somebody is going to say something about the other, to attack that candidate, he has to come on at the end and assume responsibility for it. He or she ought to come on the screen at the end and claim credit for it, and perhaps think twice about whether or not they want to run these kinds of ads. So our proposal meets the test of real reform.

I have to say that I do not believe those on the other side have yet done that. The limit on out-of-State contributions of only $250 or more, I believe, will be a real danger to American politics, because if you have that kind of limit only, you have to ask yourself, how would you raise large amounts of money by direct mail from people you do not know is States where you do not live, contributions of $250 or less? There is really one way you do it. You get the right mailing list to the right single-issue group. If you are pro-life, you write to those that are pro-life in the 49 States. If you are pro-choice, you write to those pro-choice in the 49 States. If you are for the National Endowment for the Arts, you write to those strong supporters of the National Endowment for the Arts. If you are against it, you get the right mailing list to that group. There are Senators—and it is well known in this Chamber—who raised $3 and $4 and $5, almost $6 million in contributions of $250 or less with the right mailing list to the right single-issue group.

if there is anything we do not need in this country, it is more single-issue politics. We need to be uniting as Americans to solve problems like the budget crisis. So we must not pass anything that opens the door simply to encouraging more single-issue politics in our country and does not do anything to really limit the amount of out-of-State money.

If you have the red-hot single-issue group and the right issue and the right mailing list, you can raise, $3, $4, $5 million just as easily that way from out-of-State people as you can raise

$1,000 each out of State fundraisers. If we are concerned about out-of-State money and single-issue politics, we must be careful about adopting a proposal that will make it worse. We have to think about what we are doing.

Our bill sets an aggregate limit of all money that can be raised and spent, depending on the size of the State. For smaller States, it is $950,000. It can go up to $5.5 million in general elections for the very large States. That still is significantly lower than the $15 to $20 million that is being spent in some of these larger States right now.

We have an incentive for accepting these limits. Under the Supreme Court decision, there have to be incentives so the acceptance is voluntary. We provide lower mailing rates for those voluntarily accepting them. We allow the lowest unit broadcasting rate. We worked on that on both sides of the aisle. We worked on this together in making sure that we define what the lowest broadcasting rates are.

We provide vouchers for 1- to 5-minute broadcasts of what I would call the clean-issue type ads, along the lines that Senator DANFORTH has proposed. We provide that if a candidate refuses to voluntarily accept spending limits, that his or her ad should have a trailer saying this candidate does not accept spending limits, so the people will know that candidate has not agreed to keep campaign spending under control. So we have that kind of system.

We also have a standby process of enforcing voluntary spending limits. One candidate accepts a spending limit and the other does not and goes over the limit. Then the candidate who has been so disadvantaged may get two-third of the money available from a voluntary checkoff fund, not taxpayer, but an additional $2 that will be contributed over and above what the taxpayer owes in taxes to fund-matching grants back to those candidates who have been hurt, because their opponents have broken the spending limit.

So, Mr. President, I think we have offered a bill which meets the tests of real reform. It gets the money chase under control. It limits the special-interest influence in politics. It closes completely the soft-money loophole. It deals with other problems like independent expenditures and bundling. And it also does something to try to clean up and to elevate the level of discussion in campaigns to get people to discuss the issues in substance instead of making purely negative attacks on the opponent. So we have done our best, Mr. President.

Does that mean that this bill we present is perfect? Absolutely not. Does that mean that we are in any way fearful or negative about an amendment process at this point? Absolutely not. We welcome suggestions from the other side of the aisle for improving our bill. In those areas where they make suggestions we do not think are appropriate, we will try to defeat those amendments, but we will go back to them to see if there is another way of addressing the problems in order to get an agreement. We take them at their word that they do not intend to filibuster this bill, that they are going to let us have a final vote when all is said and done. We want them to take us at our word that as long as they operate that way in good faith, we are not going to try to frustrate the bill, and they will get votes on their amendments, and we will not make a premature filing of cloture to cut off our colleagues, as long as there are no delaying tactics on the other side.

We owe it to the American people. We extend our hand to the other side of the aisle. I know from talking with them, I believe they extend their hands to us. We have a challenge, a challenge to write real campaign reform. I think the other side wants to do that. We want to do it. I believe the vast majority of the Members of the U.S. Senate in both parties understand that it is critically important for us to succeed in this effort. I believe that they view this task the same way we view it, not a time for scoring political points, not a time for gaining partisan advantage, but a time for doing something for our country, a time for repairing the election process, which is the heart and soul of the political process.

So I end where I began this discussion, with optimism, with the greatest optimism I have ever had on this issue, that when the debate ends in the next few days, we will have a bill. I hope, when we have a bill, that it will be a bill that leaves the Senate in a form in which we can get a large majority on both sides of the aisle to vote for it and that it will be in a form that the President of the United States can sign. If that ends up not being possible, I hope we will continue to work and continue to refine it, and do so in a conference committee, if we have to, to get it into a form that the President of the United States will approve.

I say to my good friend and colleague from Kentucky, who is now managing the bill on the other side of the aisle—and he has been ready for me to cease so he can make his comments on this matter—that I look forward to working with him on this matter. I think that we can make no greater contribution, the two of us, along with the majority and minority leaders and those colleagues on both sides of the aisle that have met trying to hammer out an agreement, I can think of no greater contribution that we could make during our time of service in the U.S. Senate than for us to be able to get together and thread through some honest differences of opinion and some honest intellectual differences to try to come up with a bill that will truly reform the process and that will be accepted in a bipartisan fashion on both sides of the aisle and one that will restore confidence to the American people that the U.S. Senate does not belong to special interests, that the U.S. Senate does not belong to the largest contributors, or does not belong to people outside their home States and home districts, but that this institution is here to serve the people at the grassroots and to try to do what is right for the country, and that it is composed of men and women who came here not to be fundraisers but because they want to perform a public service.

I say to my friend from Kentucky, I think if we can help do that, we can look back on our time in the U.S. Senate with satisfaction. It is my hope and my prayer that when this week ends and the period of time for debate and consideration of this legislation has ended in the U.S. Senate, we will look back with just those feelings of satisfaction when it is all over.

I pledge to continue to work with him and to work with those on the other side of the aisle to try to make that happen. Even while we have many differences of opinion about how to proceed, we have a fundamental agreement that the current system is not working. It must be changed. And it is my hope that all 100 of us will have a common commitment to stay here and work on this issue until our work is successfully completed.

I thank my colleague for his patience and, again, let me say it is a privilege for us to try to work together on a matter of this historic importance to this institution and to our constitutional system.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I thank my friend from Oklahoma for not only his kind words, but his contribution to this most important issue over the years. Campaign finance is the rule of the game in our democracy, so obviously it has enormous significance to those who participate in the electoral process in this country as candidates, as voters, as contributors and as interested citizens.

It has been interesting to note how the debate has evolved over the years. On June 2, 1987, the Senator from Kentucky, along with 14 Republican colleagues, introduced a bill to ban PAC contributions. At that time I could not find anybody else on the Republican side, not a soul on the Democratic side, who was willing to step up to what I feel is the most significant issue in the whole question of reform, and that is the source of political money. Clearly, the source is the issue.

Where does the money come from?

By eliminating PAC contributions—and now it appears as if the Democrats are following our lead on this most important issue—we will have an opportunity to get at that particular source of campaign money. But there are still some major sticking points.

I might say to my friend from Oklahoma, I think he may or may not know this, we only got the revision at 11:30 this morning. We will have the two amendments that the majority leader wanted us to have available for this evening for votes. They will be there, but they will not be introduced for another hour or so as we make certain they are properly crafted, since this is the most recent revision of the Democratic proposal. We will be ready later in the afternoon to do that.

What we really get down to, as we have so often in the past, is the question of limitations on campaign spending. It has been awfully difficult, particularly when you have to grouse with Common Cause as well, to keep the discussion on a rational basis.

For example, it is frequently said, not only out around the Capitol or inside the beltway, but sometimes even in the Senate, that a money chase exists under which Senators do nothing but raise money from the beginning to the end of their terms.

Mr. President, the facts just do not bear that out. Certainly there is money raised around this town, most of it from political action committees. And if we get rid of those, as it now appears we will be able to do that, technically the source will be eliminated, but there is simply no evidence that Senators are raising money throughout their terms.

We have done an analysis of the class of 1986, for example. The class of 1986 raised—and this is the cumulative amount of money raised by the Senators who were in the class of 1986—4 percent. Four percent came in the first 2 years, 10 percent came in the second year, and 86 percent came in the last 2 years.

Mr. President, there clearly is no indication that the class of 1986 was engaged in this sort of continuous fundraising activity that has been asserted is going on around here.

Take a look at the class of 1988. The total amount of money the class of 1988 raised, 6 percent came in the first 2 years of that 6-year term, 11 percent came in the second 2 years, and 83 percent came in the last 2 years.

That has been the pattern throughout every class and, in fact, the so-called money chase is not going on. There are people who are running who have competition and those who have competition want to win. They are the ones who raised the money during the last 2 years of the 6-year cycle; those who are threatened and those who have competition.

I think most of us will agree that is good for the system. We do not own these seats. We ought to have to fight to keep them. The chances are if we are raising money during the last 2 years of the 6-year term, it is because we have a serious contest and our right to continue here is threatened by legitimate competition. Mr. President, I would argue that is good. That is not bad. I think that sort of thing ought to be encouraged.

It has been said time and time again, of course, there can be no meaningful campaign reform without spending limits and that is what we always get back. That has been the crux of the issue.

It is interesting to note that one group, Common Cause, nobody else in America who studied the issue, thinks spending limits is a step in the right direction. You would be hard pressed to find one well-qualified academic anywhere in America who thought spending limits was a good idea.

As a matter of fact, I inserted into the RECORD before, and I will do it again today in a few moments, a list of academics across America, who specialize in this field—liberal Democrats of course—none of whom think spending limits is a good idea, none of them. They tend to share the opinion of the Supreme Court that they are unconstitutional. And in addition to that, they are not a good idea because a spending limit is really a limit on participation. It is saying if there is a cap on how many people can get involved in your campaign what a terrible step backward.

Mr. President, I have a list of academics, all of whom oppose spending limits. I ask unanimous consent to have this list printed in the RECORD.

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

SCHOLARS AND ACADEMICS WHO HAVE CRITICIZED SPENDING LIMITS AS BAD PUBLIC POLICY

Herbert Alexander: Professor, University of Southern California; Director, Citizens' Research Foundation; Director, President Kennedy's Commission on Campaign Costs.

Christopher Arterton: Dean, Graduate School of Political Management, New York; Chair, Campaign Finance Study Group, John F. Kennedy School of Government, Harvard University; Associate Professor of Political Science, Yale University; Member, Commission on the Presidential Nomination and Party Structure of the National Democratic Party.

John Bibby: Professor of Political Science, University of Wisconsin.

Joel Fleischman: Vice-Chancellor, Duke University; Chair, Department of Public Policy Studies, Duke University; Member, Committee on Election Reform and Voter Participation, American Bar Association.

Joel Gora: Associate Professor, Brooklyn Law School; Assistant Legal Director, American Civil Liberties Union; Winning Counsel Buckley v. Valeo.

Gary Jacobson: Associate Professor, University of California, San Diego.

Xandra Kayden: Research Associate, John F. Kennedy School of Government, Harvard University; Director, Women's Advisory Council, McGovern-Shriver Campaign.

Susan King: Assistant to the Commissioner, Federal Election Commission; Chair, U.S. Consumer Product Safety Commission under President Carter.

Michael Malbin: Assistant Director, House Republican Conference Committee; Resident Scholar, American Enterprise Institute; Editor and Co-Author, "Money and Politics in the United States."

Nicholas T. Mitropoulos: Assistant Director, Institute of Politics, Harvard University; Senior campaign staffer for George McGovern, Jimmy Carter and Charles Robb.

Jonathan Moore: Director, Institute of Politics, Harvard University.

Richard Neustadt: Lucius N. Littauer, Professor, Harvard University; Foundng Director, Institute of Politics, Harvard University; Consultant to Presidents Truman, Kennedy, and Johnson; Chair, Platform Committee, '72 Democratic National Convention.

Gary Orren: Professor, Institute of Politics, Harvard University; Member Democratic Commission on Presidential Nominations; Director, Polling and Survey Research, Kennedy for President Committee, 1980.

Norman Ornstein: American Enterprise Institute.

Nelson Polsby: Professor, University of California, Berkeley.

Austin Rammey: Professor, University of California, Berkeley.

Larry Sabato: Associate Professor of Government, University of Virginia.

Richard Scammon: Professor, American University.

Frank Sorauf: Professor, University of Minnesota.

Mr. McCONNELL. Mr. President, it is too bad that we are right down to the nub again of spending limits. We have made it clear on a number of occasions that we think that kind of legislation is not going to become law. In our discussions of the group of five each that the two leaders appointed, we all got around once again to the question of expenditure limitations.

Mr. President, I think it might be appropriate for the moment here to take a look at what Buckley versus Valeo had to say about expenditure limitations. To elaborate on this just a little further, the Buckley court drew a constitutionally significant distinction between a contribution and an expenditure. The court said when a contribution is given to a candidate or political committee it carries with it the possibility of a political quid pro quo and the seeds of corruption. On the other hand, expenditures do not have the same connotation. They are for communication.

The court said:

Although the act's contribution and expenditure limitations both implicate fundamental first amendment interests, its expenditures ceilings impose significantly more severe restrictions on protected freedoms of political expression and association than do its limitations on financial contributions.

In other words, what the court was saying, Mr. President, is the act of spending the money in our society represents first amendment freedom.

It went further to say that the act of contributing the money is the potential for corruption and therefore it was appropriate to limit that and to require disclosure. But to limit the aggregate amount of expression was clearly a violation of the first amendment.

No question about it in Buckley versus Valeo. There is not any chance the court is going to change that this time around.

Why did it sanction the Presidential system and not the congressional that has been proposed in those days? Quite simply because the Presidential system was truly voluntary. We have had one candidate for President run who chose not to accept money. He got one delegate. I suppose everybody else decided after that time they would take a public subsidy.

But, when former Gov. John Connally decided not to take public money and run for President, nothing happened to any opponent. They did not get public subsidies. He did not get punished. They just got some money.

But, alas the substitute sent to the desk today, similar to S. 137, that came out of the Rules Committee, punishes the candidate who exercises his first amendment freedom.

As a matter of fact, the substitute that has been sent to the desk today purports to largely eliminate public money, although it retains the vouchers for the purchase of broadcast advertising. In fact, it is just as hanging over the candidate's head a pool of public money waiting to go to his opponent should he exceed the arbitrary spending limit.

I do not think there is any chance that the courts would uphold this scheme as a truly voluntary spending limit. It seems to this Senator it is not a great idea for Congress to pass legislation that is obviously blatantly unconstitutional. We do it once in a while by accident, but rarely do we go out and pass legislation that is clearly and unambiguously unconstitutional. I hope the Senate will not do that this time.

In addition to that, basically in trying to continue the spirit of cooperation and communication around here, I have been holding for a couple months a letter I have from the President of the United States, dated May 24. Oftentimes on this side, and I am sure even on the other side, they wonder about these threats of vetoes. Sometimes, we hear that the Secretary of Transportation or the Attorney General or someone else will recommend to the President that he veto and we are not quite sure what that means. We do not know whether that means the President is really going to veto the bill or whether they are just trying to use the bluff to hope that we will not pass bad legislation.

Sometimes it has escalated up to another level and we hear maybe that the Chief of Staff to the President is saying, "I will recommend to the President that he veto a bill."

Well, the letter I have is not from any Cabinet Secretary. It is not from the Chief of Staff. It is from the President of the United States. It reads in pertinent part.

Spending limits, on the other hand, would simply entrench incumbents further while ironically enhancing the influence of specific political action committee contributions. It is my intention to veto any such counterproductive legislation, should it reach my desk.

Mr. President, that is not an ambiguous statement. It is a letter signed by President George Bush, dated May 24, 1990.

I ask unanimous consent that it be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, May 24, 1990.

Hon. MITCH MCCONNELL,
U.S. Senate, Washington, DC.

DEAR MITCH: I wrote to express again my hope that we can achieve true campaign finance reform this year. Opportunity is ripe to pursue the fundamental goals of attacking special interest influence, promoting electoral competition, and increasing the voice of individual citizens and the political parties. I have proposed for some time the complete abolition of political action committees subsidized by corporations, unions, or trade associations; that critical step, coupled with proposals to reduce other unfair advantages upon which incumbents now rely, would go a long way toward improving the perception and realities of our political system.

I hope that Congress does not waste the chance for reform by attempting instead to increase the advantage of incumbent officeholders through limiting overall speech in campaigns to challenge them, and by devising new schemes to provide taxpayer subsidies for financing congressional campaigns.

The legislative initiative that you and numerous of your colleagues recently introduced would eliminate the problem of special interest PACs that is also addressed by the Administration package, and I am pleased to note several other similarities between our reform measures.

Spending limits, on the other hand, would simply entrench incumbents further while ironically enhancing the influence of specific political action committee contributions. It is my intention to veto any such counterproductive legislation should it reach my desk.

As you recognize, curbing the self-serving and divisive role of special interests is essential to good government, as is the political disinfectant provided by real electoral competition. I look forward to working with you and your colleagues to arrive at a meaningful reform consistent with these aims.

Sincerely,

GEORGE BUSH.

Mr. McCONNELL. Mr. President, I could not agree more with my friend from Oklahoma. We have had some movement here. The movement has been in the direction of doing something about the source of campaign money, and that is a significant step in the right direction. We are eliminating political action committees. I think that is terrific.

I was the one who first suggested it. This was my first bill 1987 that proposed it. We had 14 Republican cosponsors at that time, and no Democratic cosponsors. Now that appears to be a Senatewide position, and I am pleased to see that.

But let us not make this whole exercise one of futility by passing legislation that is blantantly unconstitutional and certain to be vetoed. I hope we have not gone through all of this over the last 3 years to get to this point today that we have all wanted. It is obvious that none of us are satisfied with the status quo. I would like to see significant changes. Let us not go through all of this as an exercise and get no legislation in the end.

We need to have campaign finance reform legislation. We need to have it this year, but we need to have the right kind. The truth of the matter is we agree on a lot of things now. There has been a coming together of both sides stimulated by the discussions that we had with the negotiating group.

We have made a lot of progess. Let us not fail to get all the way to the finish line on campaign finance reform because of this unconstitutional effort to impose arbitrary spending limits on political campaigns.

Mr. President, in terms of my opening statement, let me say I begin my remarks today by inserting into the CONGRESSIONAL RECORD a recent copy of a report on campaign finance commitment developed by a bipartisan panel of experts. This was the group that Senator MITCHELL and Senator DOLE put togerther earlier in the year. They laid out a blueprint, much of which I approved of, some of which I did not. But really it was an important effort in the direction of getting us to where we are today.

Mr. President, I ask unanimous consent that that report be printed in the REPORT.

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

CAMPAIGN FINANCE REFORM

(A Report to the Majority Leader and Minority Leader, U.S. Senate, by the Campaign Finance Reform Panel, Herbert E. Alexander, Jan Witold Baran, Robert F. Bauer, David B. Magleby, Richard Moe, Larry J. Sabato, Mar. 6, 1990)

INTRODUCTION

You have asked us to consider the issues involved in campaign finance reform in an effort to "stimulate discussion and perhaps

even break the legislative logjam in Congress." We have spent two weeks grappling with these issues to respond to your request and to meet your March 6 target date. We are pleased to submit herewith our report.

Each member of this Task Force has devoted years to issues of campaign finance, either in political or academic life or in law practice, and each has brought to our discussions strongly-held views on certain of these issues. On some issues, these views were very different. All of us, however, took seriously the charge contained in your letter to us dated February 8, 1990, which called upon our most creative efforts to consider alternatives to pending proposals for reform. This required that each of us reconsider our own positions in the light of a common commitment to seeking the widest possible agreement on a well-integrated, functional set of reforms. This is what we have attempted to do, and while any one of us may retain reservations about one or more components of the reform package, all of us believe that the overall package of reforms is balanced and stakes out a constructive middle ground on many of the issues which have proven most divisive over the years.

A few words of explanation are necessary. First, many of the issues involved here are extremely complex. Too many of them are imperfectly understood. Our first and strongest recommendation is that you enlist qualified and experienced technical assistance in drafting any changes to the Federal Election Campaign Act to ensure that each provision will, in fact, achieve its desired effect.

Second, we encourage the Senate to view campaign finance reform comprehensively, that is to say, to view it not as a series of individual and unrelated issues but, rather, as an integrated whole. While some issues can be considered separate from others, most cannot; doing so in the past almost invariably has led to unforeseen consequences.

Third, we have limited our discussions to the impact of the law on Senate elections. We were not asked to consider, nor did we have time to consider, the impact on presidential elections or elections to the House of Representatives, and we have not done so. While many of the reform proposals which we propose may have application in House races, the very different dynamic and scope of campaigns for House seats require a separate set of deliberations and conclusions. Our limited time also prevented us from addressing other issues worthy of debate such as leadership PACs and the role of professional political consultants and their effect, if any, on campaign costs. Additionally, we recognize but were unable in this time to address issues raised by officeholder or candidate involvement with tax-exempt organizations. We understand that this is a matter which will be considered by the Senate Select Committee on Ethics.

Finally, in presenting our proposals, we also make note of certain of the basic assumptions controlling our discussion of campaign finance reform. None of us believe that the laws are appropriately the object of repeated revisions. The present legal regime imposes on candidates, political organizations and political activities a heavy—and for campaigns in particular, a costly—burden of compliance with the increasingly complex law. Constant change in legal rules sows considerable confusion within the regulated community, increased the cost of compliance, and necessarily detracts from the efficient conduct of legitimate political activities. Moreover, the readiness to make repeated changes in the laws invites a struggle for partisan advantage which is waged in the name of sound public policy but primarily in the interest of successful electoral competition. This is a dangerous trend. Because the law in question affects fundamental rights of political speech and participation, it should be amended only with great care to achieve narrowly, neutrally defined policy objectives.

Accordingly, throughout our deliberations, we made every effort to define the goals which are properly pursued in reform of the law at the present time. These are, in our view:

Avoidance of substantial danger that political contributions and their solicitation will unduly influence the official conduct of elected officials. This is the central objective of the law, stressed by its drafters and sanctioned by the Supreme Court in upholding its constitutionality. Every major measure we recommend for your consideration is influenced by an overriding concern with the relationships between officeholders and those who give them money.

Allowing robust political debate and activity but seeking, where possible and constitutional, to encourage the development of sources of funding which expand political participation and limit the potential of undue influence or corruption.

Enhancing public confidence in campaign financing by structuring a system which is comprehensive, well-enforced and, perhaps above all else, characterized by timely and thorough public disclosure.

Accounting for and neutralizing as much as possible disproportionate competitive impacts of any reform, such as impacts on challengers, independent candidates, minor political parties or between major parties.

Structuring a system of enforcement which produces timely results on major issues, avoiding excessive or punitive attention to minor infractions and seeking as much to advise political participants on avoiding violations as to determining and punishing such violations.

In order to reach the recommendations outlined below within the time given us, they are necessarily conceptual. We are confident, however, that you and your representatives can, through good faith negotiations and careful drafting, flesh out these concepts with the necessary detail. In any case, we offer them to you as a framework which we hope will be useful in your deliberations.

FLEXIBLE SPENDING LIMITS, IN-STATE CONTRIBUTIONS AND PARTIES

The most contentious issues in campaign finance is candidate spending limits. Advocates argue that limits on what campaigns may spend are necessary to reduce fundraising pressures on candidates who must raise more and more money, often from sources that create the highest risks of corrupt relationships. Those opposed to spending limits believe that limits are unworkable; that money is necessary for the effective exercise of public political expression; and that a restriction on what a campaign can spend inevitably both restricts the amount of political debate and fosters evasion. Added to these concerns are valid practical considerations of whether certain categories of candidates (challengers v. incumbents), parties (Republican v. Democratic) or campaigns (large state v. small state) would be advantaged or disadvantaged by a spending limit.

In your letter to us, you stated that you were looking for "new and innovative ideas" and that the "proposal of new ideas is strongly encouraged." We offer to you the following "idea" for consideration and to "stimulate discussion."

We believe that if a system of campaign reform is to be effective and an improvement, it should restrict raising of funds from potentially corrupting sources, encourage financing from desirable sources, and promote the greatest amount of political discussion and participation possible. This could be accomplished by the use of campaign spending limits if, and only if, three conditions are included:

1. Reasonably high limits: limits which, within the context of any overall funding system, permit adequate competitive opportunities for candidates to gain name recognition and enable the candidates to contact and communicate with all the voters. Any limits should be subject to automatic cost-of-living increases. Spending limits in Senate elections need to reflect the disproportionate costs of running in less populated states and in those states which require advertising in adjacent state's media markets.

2. A significantly expanded role for parties: the political parties should be statutorily empowered to conduct and finance without limitation, or under generous allowances, defined organizational activities on behalf of its candidates such as research and get-out-the-vote and registration drives conducted with phone banks, canvassing, and mailings. This would require the enactment of a special exemption for this purpose which must be financed with publicly disclosed donations subject to current contribution limits. Media expenditures (television, radio, newspapers, magazines and billboards) on behalf of clearly identified candidates should remain subject to existing (two cents per voter available to both national and state parties, adjusted periodically for Consumer Price Index increases) "coordinated expenditure" limits. In addition, contributions from individuals to a party committee should be exempt from the current annual aggregate limit, or made subject to a limit significantly higher than the current $25,000 annual cap.

3. An exemption for limited contributions from individuals from the candidate's state: by exempting from spending limits limited in-state donations from individuals, the candidate becomes dependent upon his or her ability to convince voters to contribute. Thus, the voters would determine how much money a candidate is permitted to spend. The candidate also is encouraged to spend less time on fundraising among PACs and out-of-staters (whose funds are subject to spending limits) and more time among voters (whose contributions are limited but not capped). We could not determine what level of individual contribution should be exempt from the spending limit.

The net result of this type of system is that it provides for spending limits, restricts dependence on special interest groups and non-residents, encourages limited contributions from individuals and emphasizes the role of the parties which would provide traditional and appropriate organizational and voter contact activities financed solely with limited, disclosed donations. We are cognizant of disparities between the Republican and Democratic parties in institutional fundraising. Even though the gap between the two parties' successes in raising money has narrowed in recent years, it is still significant. Our proposed system depends on each party believing that it will have equal

opportunities to raise money and support its candidates. We encourage examination of all possible private sources (which are affected, for example, by a repeal of the annual limit on contributions to the party), or alternatively by a significant increase in that limitation as well as expansion of existing Presidential Fund programs such as party convention financing (assuming sufficient funds are available), to help support party sponsored registration and voter turnout activities.

Of course, any spending limit must be voluntary and a condition to the receipt of governmental benefits in order to pass constitutional muster. We do not recommend public financing of campaigns through grants or matching funds for this purpose. We suggest a package of three incentives: [1]

1. Reduced broadcast rates.
2. Reduced postal rates or free mailings.
3. A 100% tax credit (up to specified amount) for any individual taxpayer who contributes to the campaign of a participating candidate and resides in the same state as the candidate.

In order to encourage wealthy candidates to participate in this system, we suggest that a participating candidate be permitted to use his personal funds up to the spending limit. While this at first may appear to be excessive, it is in fact the only possible inducement for such individuals voluntarily to accept any limit. Furthermore, to the extent a candidate donates his own funds to his campaign, it reduces the amount of special interest PAC and out-of-state money that can be raised.

We recognize that this proposal, if enacted, would constitute a major change in the way congressional elections are conducted and that, if it is to be effective, it must be implemented with great care and precision. We therefore recommend that this proposal be made effective in the 1992 election cycle only if Congress is prepared to give the Federal Election Commission the resources it will clearly need to give timely and accurate notice to candidates and others of how the new law will work.

The reforms we propose will constitute a new and complex challenge for candidates and party committees also seeking to conduct legitimate activities while still meeting the requirements of the law. For this reason, we recommend the establishment of an allowance outside the spending limit for funds raised and spent by candidates and party committees for legal and accounting services.

Finally, in the hopes that this or something like it be at least tried, we suggest that legislation enacting this new system include a "sunset provision" after three general election, i.e., six years. At that time, the legislation would expire unless reenacted by Congress and signed by the President.

INDIVIDUAL CONTRIBUTION LIMITS

The federal limit for individual contributions of $1,000 per candidate per election may seem high to many Americans who could not make such a gift. Yet the erosion of the dollar has been substantial; a $1,000 contribution in 1988 was worth about $400 in 1975 value, when the limit went into effect. In other words, when adjusted to reflect increases in the Consumer Price Index, it cost about $2,246 in 1988 dollars to buy what $1,000 would have purchased in 1975. Accordingly, the Panel recommends a modest increase in the individual contribution limit. From the inception of any increase, Consumer Price Index adjustments should be made in the individual contribution limit, when appropriate, and rounded to the nearest $100.

Because the Panel has recommended an increase in the individual contribution limit, a corresponding increase in the annual calendar-year $25,000 individual limit may have to be considered. The Panel earlier proposed that individual contributions to political party committees at the federal, state or local levels be exempt from the annual calendar-year limit or subject to a separate and significantly higher limit.

Finally, we recommend that the limit be based on an election cycle (rather than per election) with provision for run-off elections.

POLITICAL ACTION COMMITTEES

Some observers see political action committees as the embodiment of corrupt "special interests" which use campaign contributions to influence the outcome of legislation while others view PACs as natural and diverse vehicles encouraging citizen participation in politics and promoting the representation of legitimate interests and groups in the campaign process.

We believe PACs have a legitimate role to play in the campaign finance system. Nonetheless, contributions by individuals and parties are preferable because they are somewhat less interested forms of giving. Rather than directly limiting PAC donations, we prefer devices and incentives that reduce PAC influence indirectly by increasing individual and party activity. (These incentives are outlined elsewhere in this report).

However, we do advocate two reforms concerning PACs:

1. After PAC gifts accumulate to a specified percentage (perhaps a third) of a Senate candidate's spending limit, the maximum permissible PAC contribution of $5,000 per election should be cut in half (to $2,500 per election) for each PAC giving to the candidate after the threshold is crossed.

2. A PAC should be prohibited from giving a post-election contribution for debt retirement to a candidate elected to public office in the preceding cycle. This prohibition would remain in effect for the first two years of the Senator's term. It is discomfiting to observe how some PACs, which devote an overwhelming percentage of their funds to incumbents, rush to cement relations with successful challengers by making post-election debt retirement contributions. This promotes cynicism by candidates and public alike, affecting adversely overall confidence in the campaign finance process.

Alternatively, this prohibition could be enacted by providing that a challenger opting for the spending limit and related inducements must certify, as a condition of participation, that if elected, he or she will not accept PAC contributions for debt retirement for the first two years of his or her Senate term.

We note that in many proposals for reform in recent years, the concept of PAC limitations, in the form of aggregate limits or reduced contribution limitations, has figured prominently. Our recommendations have not included this approach in their most familiar forms, but we believe that we have addressed the underlying concerns in constructive, if different, ways. The spending limits we propose operate, of course, as a ceiling on PAC contributions any one candidate may receive, and we have also suggested a ceiling on the total number of contributions which a candidate could receive within the limit in the maximum $5,000 per election amount provided by law. In addition, we have proposed to prohibit the involvement of PACs in making independent expenditures or in bundling. These measures, taken together, meet the concern with PAC influence over current campaign financing without placing undue and, in our view, unjustified restrictions on legitimate political activities by these organizations.

BROADCAST TIME FOR POLITICAL PARTIES

At least forty cents of every dollar raised in Senate elections is devoted to purchasing time for media advertising, and in some recent elections, well over half of the candidates' warchests have been consumed by the costs of airing television and radio advertisements. The rising price of broadcast time, which has increased at a rate several times the Consumer Price Index in recent years, is clearly a major factor in the skyrocketing cost of campaigning. This is especially significant because the United States is the only major democracy in the industrialized world that does not provide for some free broadcast time.

Accordingly, we propose that broadcasters provide free time to the political parties in the following fashion:

Total free time: As a condition of license renewal, every television and radio station should be required to make available eight hours of free time for political advertising every year. This constitutes less than one percent of all advertising time.

Grantees: The free time should be given not to individual candidates but to the political parties. Each station should annually give two hours of time to each of the two major national parties and another two hours to each of the state party organizations in the station's primary viewing or listening area (a total of at least eight hours). Each cable network should give four hours to each of the major national parties.

Free-time Segments: The time should be granted in 5-minute, 60-second, 30-second, and 10-second spots rather than 30-minute programs. The exact combination of short spots should be left to negotiations between the parties and each media outlet.

Guarantees: Broadcasters must offer a wide variety of time slots, with at least half of the allocations scheduled for weekday evening prime time and at least two-thirds devoted to the September-November period in election years.

Content and Format: The parties and their candidates should be left completely free to determine the uses to which the free time is put.

Remuneration: There should be no remuneration to broadcasters in any form (public funds, tax credits, and so on) in exchange for the free time.

Third Parties: Lesser parties should be allotted free spots in proportion to the percentage of the vote they received in the prior presidential election (with 5 percent of the vote the minimum threshold necessary to receive any free time.) New parties that did not contest the previous election would receive no free time.

Other Advertising Purchases: Candidates and political parties (major and minor parties) would be free to purchase unlimited additional advertising time at the usual discounted rates.

A more detailed version of this proposal appears in Larry Sabato's Paying for Elec-

[1] Mr. Baran abstained from any discussions or recommendations which pertained to the broadcasting industry.

tions (New York: Twentieth Century Fund, 1989), pp. 25-42.

BUNDLING

A recurring concern under existing law has been the practice known as "bundling." Some confusion, or at least disagreement, appears to surround the very meaning of "bundling," and no suggestion for a change in existing law is possible without consideration of what constitutes bundling and how the practice offends public policy.

At bottom, bundling occurs when an individual or organization—known under existing law as a "conduit" or "intermediary"—solicits or receives contributions from a number of contributors and "bundles" them for delivery to the candidate. This activity can occur in a variety of contexts—from the setting of a fundraising event in a volunteer's home, to a more systematic and ongoing bundling program conducted by a political committee, such as a party committee, which solicits regular contributions from a community of potential donors with the intent of passing them on to the candidate on whose behalf they were solicited. In the first case, there is little obvious cause for concern. The host of the event, operating with the consent of the candidate, collects checks from. the attendees and forwards them to the candidate's committee as agreed. The second case is more troublesome insofar as it raises questions about whether bundling provides a vehicle for circumventing contribution limits by allowing the bundling political committee to have an impact on the financing of the candidate's campaign well beyond what the committee's contribution limits would appear to afford.

It is crucial, then, to separate out the types of bundling which present problems for contribution limits and those which may, in theory, have some impact on limits but nonetheless serve other appropriate purposes and should be permitted. We draw a distinction between bundling by separate segregated funds—PACs financed by corporations and unions—and other political committees. The establishment and operation of a corporation or union PAC is provided by law as a limited exception to the general rule that corporations and unions may not spend funds in connection with a federal election. This exception, in our view, should be read narrowly. This is particularly required in the current climate of concern about the influence of corporate and union PACs in the financing of Senate campaigns. Bundling by these PACs, which permits them to expand their giving power, should be prohibited.

We also recommend that bundling should not be permitted by any "conduit" or "intermediary" which is registered for lobbying purposes under the Federal Regulation of Lobbying Act. For unions and corporations, this prohibition would be redundant: their bundling practices would be prohibited in our proposal by a complete ban on bundling by organizations of this kind, whether or not registered to lobby the Congress. The prohibition related to lobbying activity would affect their agents in Washington—professional lobbyists—who are so registered. These individuals or organizations might not bundle at the direction of a particular corporate or union client, but their bundling activity for the benefit of particular candidates upon which they can draw for any client in need, at any time. By thus also expanding their own financial influence, they are effectively able to negotiate their way around the contribution limits and have an impact on campaign financing that those limits were meant to restrict.

Finally, there are ideological PACs which also bundle, by soliciting contributions from their sympathetic community of donors for transmittal to the candidates they support. We do not recommend, with the *caveats* stated below, that such committees, including party committees, be barred from bundling.

For these types of political committees, bundling constitutes a means of drawing into efficient collective political activity a large number of contributors with similar goals. The communications which make up bundling—solicitations of contributions accompanied by some message about the candidate who would receive them—impart useful information to the donors and provide those donors with an opportunity for concerted political participation which they might otherwise not have. Whether this be done by a political party communicating with its members, or a PAC devoted to an environmental issue reaching out to activists on this issue, this is an activity which lies too close to the heart of legitimate activity to be prohibited altogether. And, unlike corporation and union PACs, these political organizations are not operating within a uniquely restrictive and conditioned set of legal allowances such that a concern with the integrity of the contribution limits should outweigh the rights of association involved.

Still, even for these political organizations, there should remain requirements for the lawful conduct of these activities which prevent abuses of the limits and of disclosure. We recommend that:

1. A bundled contribution may be accepted by a permissible conduit only if made payable, by name, to the candidate to whom it will be transmitted. The donor needs to clearly know and voluntarily contribute to the candidate, not leave the discretion entirely to the conduit.

2. All bundled contributions must be received and passed on to the candidate directly, not through the conduit's own accounts and redrawn on the conduit's own check.

3. All bundled contributions must be fully reported to the candidate, by disclosing both the original sources of the funds and the intended beneficiary for each bundled contribution.

4. Costs incurred by the conduit must be treated as an in-kind contribution to the candidate-beneficiary—or, alternatively, in the case of a party committee, a coordinated expenditure on behalf of that candidate—subject in full to federal law limits and disclosure.

INDEPENDENT EXPENDITURES

We recommend prohibiting the making of independent expenditures by separate segregated funds, that is, political action committees sponsored by unions, corporations and their incorporated entities such as trade associations.

We are mindful of the broad constitutional protection afforded independent expenditures by the Supreme Court in *Buckley* v. *Valeo*. At the same time, the premises underlying its treatment of independent expenditure do not hold for the making of these expenditures by PACs and there is substantial question whether, in the light of experience with the creation and establishment of PACs since that time, the Court would extend protection to their independent expenditure activity. The Buckley case acknowledged a legitimate Congressional interest in limiting contributions to avert the act or appearance of officeholder corruption but assumed that, generally, this threat was not present by truly independent expenditures. This conclusion was grounded in the belief that these expendituress would be made in virtual isolation from the candidates on whose behalf the expenditures were made, thereby making remote the possibility of an illicit quid pro quo. The Court suggested, in fact, that the candidates, unaware of the immimence of the expenditures and unable to control them, could conceivably object to them as harmful in some fashion to their campaigns.

This analysis is pertinent to this day to the activities of true independent expenditures by citizens and ad hoc groups expressing themselves in this fashion on the candidates and campaign issues of their day. It is not, as the Court could not foresee, applicable to the activities of corporate and union PACs. Many of the large corporations and unions establishing and financing PACs have substantial, ongoing legislative interests, and their programs for pursuing these interests are conducted in many instances by large lobbying staffs headquartered here in the Nation's Capital who maintain continuous relationships with Members of Congress and their staffs. It strains public credibility to assume that on one level, lobbying relationships may be maintained while, on another, the PAC "connected" to the corporation or union can instantly fabricate "independence" in campaign seasons and proceed to make hundreds of thousands of dollars in independent expenditures for the benefit of the same Members running for reelection. The danger of illicit quid pro quos in these circumstances is very real and immediate. The same rationale for the imposition of contribution limits has no less force here and supports an outright prohibition on "independent expenditures" by these PACs.

The Congressional allowance for the establishment of PACs is, in any event, an exception to the general prohibition on expenditures by corporations and unions in connection with federal elections. Congress is not required, on the record of recent years, to permit the expansion of this exception to include the making of independent expenditures with serious adverse impact on core goals of campaign finance reform.

Finally, we recommend that candidates attacked by independent expenditure groups, or whose opponents are supported by such groups, be authorized to bypass the complaint procedures of the Federal Election Commission and seek relief from the federal courts if they have reason to believe that these expenditures are not truly independent—not coordinated or arranged with, or made with the consent of the suggestion of, another candidate.

SOFT MONEY

Definition of problem, "Soft money" is a term used to describe the raising, receiving and disbursing of political money outside of the source restrictions, contribution limitations and disclosure requirements of federal law. The term applies more specifically to any unlimited and/or undisclosed use of funds affecting federal elections, ranging from certain types of party spending for registration or get-out-the-vote activities; to the acceptance by political parties of "building fund" unlimited monies under special exemption; and to the use of union treasury funds to finance communications with its members. Disagreements include the ques-

tion of what precisely constitutes soft money, proceeding then to the policy options for addressing identified abuses. We recommend a carefully drawn plan for defining and correcting such abuses, seeking overall to separate the type of soft money which appears to subvert federal campaign finance laws and other state regulated funds which, because of their use for appropriate state and local activities beyond the constitutional scope of federal regulation, cannot and should not be federally restricted.

We do not recommend the federalization of campaign finance affecting all offices, federal and nonfederal, in all states. Numerous states have enacted statutes which allow for a greater or lesser degree of money in state or local elections than federal law. In some states, for example, the expenditure of corporate treasury funds is permitted, and in others, the use of union treasury money; in some states, neither and in others, both. This is a choice that each state may make, without undue interference from the federal government, and the only properly raised federal concern may be whether in certain defined cases, the state law is used as a screen for funnelling FECA-prohibited funds for the benefit of federal candidates.

The questions about possible circumvention have arisen most frequently over the conduct by state and local parties of joint federal and nonfederal candidates, or ticket-wide, activities. Because these activities affect both federal and nonfederal candidates, the FEC has authorized, in regulation now under revision, that the state and local parties may draw upon a mix of federally qualified and state (or "soft") funds. The mix has been determined by a formula which, by recognizing that in any state in most years the ballot will offer more nonfederal than federal choices, allows for a large percentage of nonfederal or soft spending for this purpose. The possibility that this type of allocation of costs will open the way for substantial soft or unregulated spending for federal purposes is a legitimate and serious one. But, at the same time, critics may fail to recognize that state and local parties, and indeed also national parties, legitimately do and should organize, finance and conduct joint candidate or ticketwide efforts for the benefit of *all* of its candidates, or in certain instances, for the collective benefit of the top federal and nonfederal candidates on the ballot.

The task is to protect the federal interest in upholding regulations with respect to federal candidates without inappropriate interference with legitimate and traditional party activity. We recommend in summary, (1) comprehensive and complete nonfederal funding disclosure requirements applicable to national, state and local parties, which would supplement the filing requirements for nonfederal activity currently in effect under state law; and (2) specific restrictions on the amount of nonfederal funding which may be used to support ticket-wide or other federal/nonfederal activity.

Disclosure. It is the Panel's consensus that complete disclosure of soft money should be required by federal law. The precedent of disclosure that was made voluntarily by both national parties of 1988 soft money activities should ease the way to federally-mandated disclosure. National party committees with nonfederal accounts should be required to disclose their receipts and expenditures to the Federal Election Commission. Similarly, state and local party committees which are registered at the FEC and which also maintain undisclosed accounts should be required to file with the FEC copies of their relevant reports as required as required by state law. While most states currently have laws that required party committees to file, some few do not, and accordingly, the FEC should devise appropriate forms for national, state or local committees not otherwise filing and unable to submit to the FEC a copy of relevant state reports.

Because our mandate does not include presidential elections, we have not directly addressed the issues arising from the recent practice of presidential candidates and their agents soliciting very large soft money contributions in order to circumvent, as some argue, general election spending limits. Our recommendations also concern only Senate election soft money issues, though certain of our conclusions may be helpful in focusing the issues and policy choices in this area for all elections.

Substantive restrictions: assumptions. Because of the failure of existing law to address real abuses, more substantive restrictions of soft money activity are also required. In this regard, we preface our recommendation with certain preliminary observations about the soft money debate. First, we cannot agree with either the critics or their counterparts in this debate that the operative legal concern is intent, that is, whether soft funds are used in a particular case by a national, state or local party committee with the intent to influence federal elections. Intent is usually difficult to guage, in the administration of this law and others; and typically those with the most brazen and practiced intent to circumvent the law possess the skills, resources and experience to conceal their intent or to leave it in doubt. Moreover, from a reform perspective, any reliance on intent is self-defeating, since there is an appropriate federal concern with limiting the federal election-related impact of soft money regardless of intent. It is our view that the focus should be on the impact of soft money, and that the potentially significant effect of this money in weakening the restrictions of federal law is sufficient reason in and of itself for a comprehensive reform.

Second, we conclude that while soft money restrictions should be enacted to cover the activities of both national and other parties, there is ground to distinguish between them in fashioning the nature of those restrictions. Critics of soft money activity by national parties contend that they have purely federal interests inconsistent with the use of soft or unregulated money, and while we cannot conclude that this is an accurate characterization of, for example, the character or programs of either the Republican National or Democratic National Committees, the perception is one with which any reform must come to terms. By the same token, state and local parties should be provided with some greater leeway to finance with both federal and state unregulated money the joint federal/nonfederal activities which are historically a crucial component of their goals and actual programs.

Finally, political parties engage in a broad range of activities for the benefit of their candidates, ranging from specialized voter contact activities such as voter registration and get-out-the-vote phase banking and mail, to persuasive broadcast media advertising. The implications of soft money for each of these activities is different, and we present below our recommendations for spending restrictions which would be appropriate to each. In addition, under existing law, parties using soft money may finance their internal operating expenses with a mix of federal or soft funds, and this internal or self-contained benefit to the parties from the use of unregulated funds needs also to be addressed.

We also note that while we are not recommending federal limitations on nonfederal contributions, received by parties, these limitations come into play when the funds are spent in a particular state, by operation of state law.

Substantive restrictions: contents. Considering first the case of national party organizations, we recommend as follows:

Voter contact (non-broadcast media). National party committees spending directly for certain voter contact programs, such as voter registration or get-out-the-vote, should be permitted to utilize a so-called "ballot composition" method for determining the amount of federal and soft funds which may be used, subject to a fixed federal minimum share. The ballot composition allocation formula, recognized under existing law, calls upon the party to determine the ratio of federal to nonfederal candidates appearing on the ballot in the election year in connection with which the funds are spent. The number of offices counted for this purpose would be drawn from the average ballot presented to the voter in the affected political jurisdiction—i.e., an average statewide ballot for a statewide program, or an average county ballot for a program directed toward a particular county. This methodology assures that the amount of soft money actually spent to influence the nonfederal races is keyed to the relative number of such races on which the concerned voter will have to make a choice. However, because this ratio often produces a high nonfederal percentage, justifying the expenditure of a substantially higher share of soft than federal money, we recommend that national parties be required to spend for these purposes no less than a fixed percentage of federally qualified funds, on the order of 33⅓%.

We note that enhanced national party committee activity, proposed earlier in this Report, for defined voter registration and get-out-the-vote activity should serve to generally reduce pressure to locate funds for these purposes from unregulated sources.

Printed persuasion materials. National parties may also produce for state and local use printed materials, such as brochures or handbills, identifying and seeking support for both federal and nonfederal candidates. Under current law, the parties may establish yet another federal/nonfederal ratio by which to determine the appropriate mix of funds which may be spent for this purpose, and the ratio is constructed from a measurement of the total space devoted to each class of candidates discussed in the printed text. This allocation, while not precise, produces acceptable results, but only, in our view, if there is applied again a federal minimum share. We recommend again, a minimum on the order of one-third of the total cost.

Broadcast media. The law currently recognizes that broadcast media constitutes the most potent form of voter persuasion and on that basis, treats it differently for certain purposes. We would follow this approach in recommending that any "generic" national party broadcast media, promoting support for its candidates as a class without regard to federal or nonfederal identity, be

financed with no less than 50% federal funds. Should the party finance media advertising of this nature in any subnational market, we recommend that the federal minimum be filled at a high level, on the order of 40%, which places the minimum somewhere between that national media minimum and the minimums we recommend for voter contact programs and printed persuasive materials.

Overhead and fundraising costs. Party committees on the national level may, under existing law, pay internal costs on a mix of regulated and unregulated funds, provided that they engage in some measured amount of direct federal and soft money spending to influence voters. We recommend that such costs be paid under a formula established by existing law and known as the "funds expended" method, which requires the party committee to pay internal costs in the same ratio as the ratio of federal to nonfederal funds spent over a discrete measured period for direct contributions to, or expenditures on behalf of, federal and nonfederal candidates and party committees. This pegs the overhead allowance to actual nonfederal performance for actual nonfederal candidate and parties. It prohibits, in particular, the use of the currently allowed "funds raised" method which permits the funding mix to be determined by the ratio of federal to nonfederal funds raised: We conclude that any allowance for soft money must be geared to actual and bona fide nonfederal activity. Fundraising costs taken separately may be paid on the ratio of federal to nonfederal funds raised, treated appropriately as a separate overhead activity.

Considering state parties, we recommend as follows:

Voter contact. We recommend also the ballot composition method and a fixed federal minimum, but we would propose a federal minimum lower than the one we advanced for national parties, on the order of 25%.

Printing persuasion. We recommend for state, as well as national parties, the space evaluation method and a federal minimum, but we propose a federal minimum lower than for national parties, on the order also of 25%.

Broadcast media. We recommend a ballot composition method but also a federal minimum of 33⅓%, higher than for all other categories but lower than the federal minimum for national parties.

Overhead and fundraising costs. We recommend for state parties the same funds expended methodology and allocation of fundraising costs which we proposed for the national parties.

Finally, we have not had time to consider whether local parties, historically operating with far more local than statewide or federal concerns, should be provided greater relief from these proposed federal restrictions. We believe that this is a matter which Congress should take up and carefully examine in the event it proceeds to a detailed legislative effort to address soft money.

FEC

The Federal Election Commission has been the subject of much criticism over the years, and the object of numerous proposals for the improvement of its enforcement function. We also recommend certain structural improvements in the operation of the agency. In making these proposals, however, we are constrained to acknowledge that much of the dissatisfaction with the agency is, on reflection, frustration with weakness in the law, and that the Commission cannot be expected, nor should it be encouraged, to improve on the law by administrative fiat in place of the role Congress should rightly play. Still, some improvement in the current regulatory enforcement structure is in order.

We note the decline in the number of requests for Advisory Opinions by the Commission. The Advisory Opinion function is most crucial to the Commission's statutory responsibility to encourage voluntary compliance and to give guidance to the regulated community to avoid violations. The decline in the volume of such Opinions, particularly on important issues, is disturbing. It cannot be known for sure how this has come to pass, but some effort should be made to reverse the trend. We recommend that the Advisory Opinion function be removed from the Office of General Counsel where it is currently located, staffed and funded as a separate office and required to report its recommendations directly to the Commission. By separating out the general enforcement and advisory functions, there stands a better chance that Opinions can be creatively crafted without undue concern with indirectly-related enforcement strategies. The General Counsel's office is devoted to enforcement, and its approach to statutory issues is inevitably influenced by this prosecutorial role. This does not lend itself to the more neutral consideration of legal issues from the perspective of providing advice to encourage voluntary compliance. A separate office within the Commission to address such issues in the rendering of Advisory Opinions may bolster the confidence of the regulated community in the Advisory Opinion process and encourage more Opinion requests and the development of a useful and well-drawn body of binding rulings.

Second, the Task Force recommends the adoption of certain procedural recommendations made by the Committee on Election Law of the American Bar Association's Section of Administrative Law. In the words of the Committee, "these recommendations are designed to increase the procedural safeguards for those who, while exercising constitutional rights, may be investigated by the agency and potentially subjected to probable cause determinations." The recommendations also attempt to expedite the enforcement proceedings without increasing administrative burdens.[2]

Complaint Generated Investigations. There should be nothing in the Act to prevent the Commission from gathering voluntarily provided information from the Respondent prior to a Reason to Believe determination.

Internally Generated Investigations. With respect to internally generated investigations, the General Counsel should have the discretion to invite the Respondent to respond to the allegations of wrongdoing prior to recommending that the Commission find Reason To Believe.

Access to Information. Respondent should be provided access to documents submitted to or obtained by the staff from third parties during its investigation and which the staff relies on in its recommendation. Such access should be afforded to the Respondent at the conclusion of the investigation but before briefing commences.

Access to General Counsel's Reports. Any report submitted to the Commission by the General Counsel after the Respondent has filed his or her brief should be provided to the Respondent.

Right to Oral Argument. The Respondent should be provided a right to present argument before the Commission prior to a finding of Probable Cause.

Admission. An admission by the Respondent that a violation has occurred should not be required routinely by the Commission.

Time Limit on Investigations. The Commission should impose time limits on investigations by the General Counsel's office in order to encourage the speedy resolution of such investigations.

Publication of Index. The Commission should publish an index of all investigations which have been concluded. The Commission should update this index on an annual basis.

Third, the Commission should be instructed by law to pursue a set of rational enforcement priorities. The establishment of such priorities should not be left entirely to agency discretion. A long-standing criticism of the agency has been that it is unable to resolve the most significant issues, but devotes a disproportionate share of its resources to the prosecution of minor matters with minor consequence for core statutory objectives. We recommend that under a reformed statutory scheme such as the one we have proposed, the Commission address on a priority basis, violations of spending limits; corporate and union PAC contributions and disclosure limitations and requirements; bundling; non-federal funding or "soft money" disclosure; and direct corporate or union general treasury spending. Moreover, in each instance, the Commission should be directed to consider whether factors present in a particular case, including the amount of money implicated in the violation or the apparent inadvertence of the misconduct, warrant the application of full-dress enforcement procedures. We recommend that, for any such inadvertent or de minimis violations, the statute provide for a summary enforcement procedure which would produce an expedited result, including the payment of fines appropriate to the nature of the offense.

This summary enforcement process would also be appropriate for a class of offenses other than those cited by statute for priority enforcement. One example would be late-filings of reports, ones which violate the statutory deadlines by a matter of days owing to error or simple negligence. Another would be contribution limitation violations by individuals which result from the failure to meet certain technical requirements. These arise, for example, when a husband and wife present a check to a candidate in an amount in excess of $1,000, intending that the contribution be treated as half from one and half from the other, but the check or some accompanying writing does not carry the signature of both. Treating such violations within a summary enforcement process would spare agency resources, avoid cost to the respondent, focus the agency on the more significant issues and promote public confidence in a rational administration of justice.

Finally, none of these recommendations, nor the recommendations made elsewhere in this report for substantial changes in the current law, would have any hope for success if the agency is inadequately funded. Without funds, the agency cannot staff current operations effectively, much less expand them, and it cannot attract the additional qualified staff it needs. We recom-

[2] The language of the recommendations which follow are drawn verbatim from the Resolution of the Committee.

mend an appropriate increase in agency appropriations for purposes of existing law as well as the administration of the reforms we propose.

MEMBERS OF THE CAMPAIGN FINANCE REFORM PANEL

Herbert E. Alexander is a professor of political science at the University of Southern California and since 1958 has been director of the Citizens' Research Foundation. He received a B.S. from the University of North Carolina, his M.A. from the University of Connecticut, and a Ph.D. in political science from Yale University. He has held a number of government posts, including executive director of the President's Commission on Campaign Costs, 1961-62, and consultant to the Office of Federal Elections at the General Accounting Office, 1972-73. In 1973-74, Dr. Alexander undertook a consultancy with the U.S. Senate Select Committee on Presidential Campaign Activities. He is the author, among other books, of Financing the 1984 Election (with Brian A. Haggerty); Financing Politics: Money, Elections and Political Reform and is the editor of Comparative Political Finance in the 1980s.

Jan Witold Baran is a former campaign manager and a partner in the Washington, D.C. law firm of Wiley, Rein & Fielding where he specializes in election law. He is or has been General Counsel of the Republican National Committee, the National Republican Congressional Committee, the National Republican Senatorial Committee and the Bush for President campaign. He was Executive Assistant to FEC Commissioner Joan D. Aikens from 1977-79 and chaired various election law committees of the Federal and American Bar Associations. He has consulted on foreign election laws in The Philippines, France, Nicaragua and Hungary.

Robert F. Bauer, a partner in the Washington, D.C. office of Perkins Coie, has, for over a decade, provided counseling to Congressional officeholders, candidates, corporations and political committees; engaged in litigation in campaign finance issues; and represented on an on-going basis national and state party organizations. He is the coauthor of articles on election, lobbying and ethics laws. Mr. Bauer has been a member of the American Bar Association Committee on Election Law and Co-Chairman of the Advisory Commission to the Committee on Law and the Electoral Process, and has lectured on numerous occasions on election, lobbying and ethics laws.

David B. Magleby is an Associate Professor of Political Science at Brigham Young University. He received his B.A. from the University of Utah and his M.A. and Ph.D from the Univesity of California, Berkeley. He has taught at the University of California, Santa Cruz, the University of Virginia, and Brigham Young University. In 1986-87, he was an American Political Science Association Congressional Fellow. He has participated in international conferences on election law matters, and has served as an expert witness in election law cases. Magleby is the author of numerous journal articles on election related subjects and his books include Direct Legislation: Voting on Ballot Propositions in the United States; The Money Chase: Congressional Campaign Finance and Proposals for Reform with Candice J. Nelson; and The Myth of the Independent Voter with others.

Richard Moe, a partner in the Washington, D.C. office of the law firm of Davis Polk and Wardwell, has been involved for 30 years in campaigns at the national, state and local levels. Following his education at Williams College and the University of Minnesota Law School, he served in positions in municipal and state government and, from 1969 to 1972, as chairman of the Minnesota Democratic Farmer Labor Party. He later spent four years as administrative assistant to Senator Walter F. Mondale and four years as chief of staff to Vice President Mondale.

Larry J. Sabato is an election analyst and Professor of Government and Foreign Affairs at the University of Virginia. A former Rhodes Scholar, he took his B.A. from the University of Virginia, did graduate work at Princeton, and received his doctorate in politics from Oxford Univeristy. Sabato's books include The Rise of Political Consultants: New Ways of Winning Election; PAC POWER: Inside the World of Political Action Committees; The Party's Just Begun: Shaping Political Parties for America's Future; and Paying for Elections: The Campaign Finance Thicket.

SUMMARY OF RECOMMENDATIONS

Flexible spending limits which are reasonably high, do not limit significant party support and limited donations from in-state contributors, and which are voluntarily accepted by candidates in return for preferential broadcast advertising rates, reduced postal rates or a free mailing and tax credits for small in-state contributors.

Enhanced role for the political parties for research and certain defined types of voter registration and get-out-the-vote activity and for the acceptance of individual contributions. Coordinated expenditure authority would remain at current levels and would continue to apply to television and radio advertising. This may promote conversion of soft money activity to hard money activity.

Individual contribution limits increased modestly and the annual limit re-examined.

Political Action Committees may contribute up to a specified percentage of a candidate's spending limit, then maximum PAC contributions are half of ordinary limit. PACs are prohibited from giving post-election contributions for debt retirement.

Free Broadcast time to parties for use by congressional and other candidates.

Bundling prohibited for corporate and labor PACs, and other separate segregated funds established and financed by incorporated entities such as trade associations, and for registered lobbyists. Full disclosure and application of contribution limits required where practice is permitted.

Independent expenditures by PACs sponsored by corporations, unions and trade associations (i.e., separate segregated funds) barred and private lawsuits to enforce independence permitted.

"Soft money" defined, curtailed and subject to complete disclosure both of receipts and expenditures.

Federal Election Commission improved with specified procedural and enforcement reforms, including the setting of priorities and especially adequate funding, to do its job.

U.S. SENATE,
Washington, DC, February 8, 1990.

JAN BARAN, ESQ.,
Wiley, Rein & Fielding, 1776 K Street, NW., Washington, DC.

DEAR MR. BARAN: During the past several years, Congress has grappled with the issue of campaign finance reform. Despite the good-faith efforts of many of us in Congress, Democrats and Republicans have simply been unable to come together and fashion a bipartisan reform package that reflects the concerns of both parties.

Needless to say, recent events have made the argument for meaningful campaign finance reform even more compelling. As a result, we are looking for some new and innovative ideas that will stimulate discussion and perhaps even help break the legislative logjam in Congress.

To accomplish these goals, we thought it would be useful to establish a Campaign Finance Reform Panel. This Panel will consist of six private citizens with a recognized expertise in the financing, legal requirements, and other technical aspects of the federal campaign process. It is our hope that the Panel will be a well-balanced mix of academics, lawyers, and political consultants.

In light of your expertiste in the area of campaign finance, we would like to invite you to join the Panel.

Although we are hesitant to give the Panel formal instructions, we think it would be helpful if the Panel could develop a series of recommendations, both to deal with specific problems in the current campaign finance system and to establish a new system. To the extent practicable, your recommendations should be organically structured, blending proposals into a single, coordinated strategy for reform. Furthermore, all the well-recognized campaign finance issues—spending caps, public financing, PAC contributions, "soft money" contributions, the role of the parties in the electoral process, etc.—should be considered. And as we have mentioned, the proposal of new ideas is strongly encouraged.

We would also like to emphasize that the Panel will work independently of us and of any other member of the Senate.

Ideally, we would like the Panel to complete its work no later than Tuesday, March 6, 1990. At this time, the Panel will have an opportunity to present its recommendations to us and to other interesed Senators.

If you have any questions about the Panel, please contact either Bob Rozen of Senator Mitchell's stafff (224-5344) or Dennis Shea of Senator Dole's staff (224-3135).

We appreciate your consideration of our invitation and hope that you will be able to accept it. Since we would like the Panel to complete its work in a fairly short period of time, we hope to hear from you as soon as possible.

Sincerely,

GEORGE MITCHELL.
BOB DOLE.

Mr. McCONNELL. Mr. President, I issued a statement, when this distinguished group of experts released their report, praising the comprehensive nature of their work and urging that it becomes the framework of a truly bipartisan piece of legislation. Well, here we are 5 months later, and I would argue that we have made some progress, although there is still some important sticking points.

It is my view, Mr. President, that Republicans have been earnest and sincere about seeking a bipartisan solution this year. We drafted a 34-point bill which was the most comprehensive even introduced on this subject, some of the provisions of which have now been adopted in the Democratic substituter. We entered into good-faith negotiations with the Democrats

to see if a party neutral solution could be found. Some on my side even supported a change in our party's position in order to propose a flexible spending limit plan modeled after the recommendations of the bipartisan panel that I referred to before.

Unfortunately, a good portion of this effort may have been a waste of time and energy because there is still a feeling that we want to make political points here rather than writing a bill. And this is one of the reasons that I pointed out the letter from the President. Let us not waste this effort to get a meaningful bipartisan reform. Let us write the kind of bill that can become law.

For the last 3 years, the majority has been trying to sell a concept of spending limits as the only way to reform campaign finance laws. As I have pointed out earlier, there are several obvious problems with that. One is they are unconstitutional as drafted in the substitute, and, No. 2, the President would veto such legislation.

Anyone who is knowledgeable about our campaign finance system agrees that that is not the only reform. Virtually every scholar in America—and I have already put the list in the RECORD—who studied the issue of campaign finance has come to the conclusion they do not work. There is hardly anybody who has really studied this issue who thinks that that is a step in the right direction. They tend to refer to the Presidential system in which virtually every candidate who has run for office has been cited for significant violations. One out of four dollars have gone for lawyers and accountants. It has been an incredible disaster in every respect. And I think everyone who has studied the issue understands that and does not want to duplicate that by applying a similar system to 535 additional races.

We have seen a number of new bills and new substitutes but unfortunately this spending limit sticking point remains a permanent fixture on the other side. I hope that will change sometime in the next 2 days.

In my opinion, it is inappropriate to make the issue of campaign spending the focal point of serious reform. Spending, Mr. President, is not so much the problem. The problem is where does it come from? Much like the Supreme Court said 14 years ago in Buckley against Valeo.

Look at the concerns we all have about the influence of political action committees on incumbent Members of Congress. This is an issue which deals with the source of fundraising, not some vague notion of how much money is spent or how much is necessary to communicate with our constituents.

Look at the concerns we have about Charles Keating and other individuals who are not constitutents that seek some legislative favor. This type of out-of-State fundraising is an issue of source as well. Look at the soft money activities of organizations generally tax exempt which seek to influence campaigns in a manner which is not disclosed or limited like a regular contribution.

My friend and colleague, Senator BOREN, talked a great deal about soft money a few minutes ago. Well, what he did not say is that the Democratic proposal does nothing about nonparty soft money. There are two kinds of soft money, party soft money and nonparty soft.

The substitute at the desk does nothing to restrict spending of nonparty soft money. It adopts a couple of proposals of ours with regard to who can raise money for these organizations, but in terms of their expenditures, it does nothing. That is an enormous gaping loophole through which millions of dollars are poured every year into the political system, untouched by the substitute at the desk.

If we were to enact that legislation that is pending before us without change what you would have is a limit on hard money, and no limit on soft money. That does not address the overall system. It is not a comprehensive solution. It leaves a gaping loophole that only benefits those who happen to be in good shape with whatever 501(c) is out there operating on their behalf.

The point I am trying to make, Mr. President, is we need to take a much more comprehensive look at the campaign finance system and not confine ourselves to the notion that some sort of spending limit would be the instant cure for the ills which plague our campaign finance laws. Spending in a campaign is the amount of money which is necessary for a candidate to communicate with his or her constituents. It involves spending for television, radio, direct mail, and other communications tools.

How we spend our money is an entirely separate activity from where it comes from. The reason we have to raise more money for a Senate campaign than Senators who were running 20 years ago is simply because the costs have gone up like everything else. But in this particular area they have gone up much faster than everything else. The cost of a postage stamp is higher, the cost of producing a direct mail piece is higher, and most importantly the cost of broadcast media, especially television, has skyrocketed in the last decade.

I do not favor piecemeal campaign finance reform. But if there is one thing that we could pass here today that would help the system more than anything else, it is a meaningful broadcast discount, a real one that the broadcasters could not get around by recrafting the way they sell the time; a real break. That is the single most important thing we could do to improve the system and it would not unfairly help either side. It would help both sides and it would help challengers.

More money being raised can create problems both in the perception people have of us as legislators and in the actual fact of what type of influence a contribution has on daily decisionmaking. But the answer is not to place arbitrary caps on the amount of communicating; not to put a cap on how much expression we can engage in. Instead, the answer is to take a hard look at the different sources of our campaign money. We should then restrict whatever we consider to be tainted money, and we should encourage the type of participation which we believe is healthy for the system.

Senate campaigns rely, really, on three sources of money. We raise our money from individuals who are residents of our States, individuals who are not residents, and PAC's. The opposition would like to limit the participation of all three of these sources of money without any regard for the individual merits of each source. For example, I think it would be a grave mistake for us to limit the amount of contract and communication between a Senator and the constitutents of his or her State. That is a principle we should never ever change under any circumstance.

Similarly, I think some type of out-of-State fundraising should be encouraged. Small donors who are not residents of a candidate's State are often the only hope for a challenger who cannot raise sufficient funds in a State where the power structure favors his or her opponent.

Mr. President, we have a number of States in which one party is so weak, the power structure is so much on the side of the other party, that it is very, very difficult for that kind of challenger to be competitive—particularly against an incumbent who may be in the advantageous party in that particular State. Candidates from small or less affluent States need to seek out-of-State funds to adequately communicate their candidacies.

Finally, I see nothing wrong with our colleagues who have national supporters having the ability to raise money, from a whole lot of people who share the same philosophy, in $20, $30, or $40 amounts. There are not many of us who have those kinds of bases but some in this body do. Some on the right and some on the left have fairly large direct mail operations that appeal to groups that like their positions on some high profile issues.

I want to make a comment about the last type of fundraising. Several of our colleagues on the other side have criticized this type of out-of-State fund-

raising as encouraging single issue politics. Yet these same Senators criticize our current system as taking too much of our time, time which we could spend legislating and doing our jobs as Senators.

What is wrong with contacting people who agree with your philosophy? They contribute small amounts which over time can help you finance much of your campaign. This type of direct mail fundraising takes less than 5 or 6 hours of a Senator's time each month—probably even less than that—no trips to the west coast for fundraisers, no lengthy sessions developing a finance plan or having to meet with your steering committee for an upcoming event, and no appearance of special interest influence. You just sit in your office in Washington and raise the money without any real constraints on your time.

I am amused by some of our colleagues who complain about the money chase and then reduce the issue to single issue politics when confronted with the logical alternative of saving time in fundraising. Obviously, our inability to agree on the goals and objectives in campaign reform has contributed to the stalemate which has existed over the last 3 years.

I am not saying all out-of-State fundraising should be encouraged. In my opinion we should create incentives for in-State fundraising, while permitting those who need to raise funds from those outside of their States to do so in small amounts. That is what the Republican alternative proposes, that we keep the same limit for in-State contributions but we cut in half the contributions for out-of-State funds. We even plan to restrict this activity further with an amendment by Senator DOMENICI to lower the out-of-State contribution limit from $1,000 to $250 per individual.

Now, with regard to the third source of our money, political action committees, if there is any source we should be concerned about, this is it. While the theory behind the PAC is laudable, I think everyone would agree that PAC's have not played a constructive role. PAC supporters try to focus attention on the many individuals who through small donations make up the typical corporate trade association or union PAC. These individuals, like those who give directly to candidates, generally are giving because they want to advance some cause or point of view.

I fully support any effort to encourage people to contribute based on their principles and I readily concede the point that PAC's have brought thousands of new people into the political process, people who could not have always been reached directly by the candidate. Unfortunately, by the time the Washington representative for the PAC gets his or her hands on the money, another objective intervenes. That, unfortunately, is what tends to taint the process. And that, unfortunately, becomes a question of access.

In most cases, the person in charge of the PAC is the organization's lobbyist. He or she has different concerns than the average contributor. The lobbyist is concerned much more about having a good relationship with incumbents instead of being concerned about principle or philosophy. As a result, PAC's generally give to incumbents without much thought being devoted to what a candidate stands for.

To correct this problem, I think we need to make a better distinction between our policy role and our reelection campaigns. The best way to do this is to encourge individual contributions while at the same time limiting the influence of organizations which are primarily interested in incumbents and not campaigns. I think the easiest way to do this is to abolish PAC's altogether, and we now may well be on the verge of doing that.

Let me now turn to the concept of flexible spending limits. In proposing flexible limits the bipartisan panel focused attention on the same sources of campaign money that I have just described. In summary, the panel recommended that in-State individual contributions be exempted from any type of spending or fundraising restrictions and that out-of-State individual money and PAC contributions be subject to limits.

We followed the panel's recommendations in drafting the Republican bill. However, instead of having a flexible limit with several exemptions, Republicans decided to lower the contribution requirements for out-of-State and PAC sources. We suggested lowering the PAC limit to zero and reducing by one-half the contribution limit for out-of-State individual contributions.

In our negotiations, which went on for a month or so, the opposition did not like this approach because it did not contain an overall limit on spending. After embracing the bipartisan panel report when it was first issued, it seemed inconsistent to not want to adopt some type of source limit similar to that which was recommended by the panel of six experts.

Last week, Republicans made an even more significant concession and proposed a flexible spending limits plan, one that I personally do not favor, again modeled after the bipartisan panel report. But it was summarily rejected because it did not contain enough of an overall limit on campaign spending or, put another way, a limit on communication.

Republicans made this offer despite the fact that the President, as I indicated earlier, is likely to veto—not likely to, will veto—any bill that contains aggregate spending limits.

Where we are, Mr. President, boils down to this. The opposition, the other side, has made some important concessions in terms of political action committees. But there are still two sticking points that would draw Presidential veto, both of which are still present in the alternative before us. No. 1 is aggregate spending limits and No. 2 is public funding. The bill still does have significant public funding in it.

I do not have to tell anybody in this body we have an enormous deficit problem. We are struggling with what to do with it now. I think to spend any money whatsoever on political campaigns is never a good idea. It has not worked out well in the Presidential system and certainly ought not to be extended to 535 additional races. If that were ever to be done, certainly not now as we are struggling to meet a rather ambitious target for deficit reduction this year. So a little later this afternoon, Mr. President, we will be offering some amendments, and we will have at least two votes tonight on those amendments.

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

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

Mr. DASCHLE. Mr. President, I also ask unanimous consent that a summary of the Senate Election Ethics Act of 1990 be printed in the RECORD.

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

SUMMARY OF SENATE ELECTION ETHICS ACT OF 1990

VOLUNTARY FLEXIBLE SPENDING LIMITS

A system of voluntary flexible spending limits would be established, based on state voting age population, ranging from $950,000 to $5,500,000 for Senate general election campaigns. Primary spending limits amounting to 67% of the general election limit up to $2,750,000, would be established. The general election limit could be increased by up to 25 percent of the spending limit to the extent of $100 contributions received from individuals residing in the candidate's State.

BENEFITS FOR ELIGIBLE CANDIDATES

Candidates who raise a threshold amounting to 10% of the general election spending limit in individual contributions of $250 or less (50% in-State) would be eligible to receive certain benefits. Eligible candidates would receive:

A. Broadcast Vouchers: Vouchers amounting to 20% of the general election limit would be provided to purchase prime time

television advertising in segments of between one and five minutes.

B. Low Cost Mail: First class mail would be available at one quarter the regular rate for candidate mailings. Third class rates would be 2 cents lower than first class. Candidates would be permitted to spend up to 5 percent of the general election limit on such mailings.

C. Broadcast Rates: Eligible candidates will be entitled to purchase nonpreemptable time at the lowest unit rate preemptable time throughout the general election period. All candidates would be entitled to this lowest unit rate during the last 45 days of the primary.

D. Independent Expenditures: Eligible candidates would receive public funds to respond to independent broadcast ads exceeding $10,000 from any source during the general election period.

E. Contingent Public Financing: Eligible candidates would receive additional public funding if an opposing candidate exceeds the spending limits.

PAC LIMITATIONS

Prohibits political action committee contributions and expenditures in connection with a federal election. In the event the provision is declared unconstitutional, independent PACs are permitted to give $1,000 per election. To deal with attempts to evade the PAC limits, a $5,000 limit is placed on contributions to candidates by executive and administrative personnel of the same employer. The limit for such contributions to party committees would be $20,000 and a certification is required that such contributions are not made at the direction of the employer.

SOFT MONEY

Political party committees would be prohibited from using soft money, not regulated under federal law, for any activities in connection with a federal election. Activities in connection with a federal election include get-out-the-vote activities, voter registration, generic and mixed election activities including general public advertising, and campaign materials, maintenance of voter files and other activities affecting a federal election during a federal election period. Party committee spending on mixed federal-state activities in connection with federal elections would be subject to overall limits.

State party contribution limits would be increased to the amount permitted to national parties. Federal office holders and candidates would be prohibited from soliciting soft money contributions. The contribution/expenditure exceptions in current law that permit unlimited State party spending for "volunteer activities" that affect a federal election and GOTV for presidential elections would be repealed. State parties would be permitted to spend 4 cents per voter for presidential elections.

BUNDLING

Bundling in excess of the contribution limits would be prohibited by all political committees and lobbyists, and individuals acting on behalf of those entities or on behalf of corporations, labor unions, or trade associations.

BROADCAST RULES

A. Lowest Unit Rate: All eligible candidates would be entitled to purchase nonpreemptable television broadcast time during a general election at the lowest unit preeemptable rate. All candidates would be permitted to purchase time at such rates during the 45 days prior to a primary election.

B. Candidate Accountability: All candidates would be required to appear at the end of their television advertisement conveying the message that the advertisement was paid for by the candidate.

C. Disclosure: Non-eligible candidates would be required to disclose in all advertisements that the candidate has not agreed to spending limits.

D. Vouchers: Vouchers amounting to 20 percent of the general election spending limit would be provided to eligible candidates to purchase prime time television advertisements of at least one minute but not more than five minutes during the eight week period before the general election. Broadcast stations would be required to make these longer time periods available to candidates during the five week period prior to the general election.

INDEPENDENT EXPENDITURES

The types of activities and relationships which are expenditures in coordination, consultation or concert with a candidate—and therefore not independent—would be more broadly defined. Under this definition, expenditures by political committees required to register as lobbyists would not be independent and would count against the contribution limit.

Primary spending limits would increase by the amount of independent expenditures intended to assist opponents of a candidate. The general election spending limit would be increased and public funds made available to eligible candidates who are the target of more than $10,000 of independent expenditures from any one source. Broadcast stations would be required to make time available immediately after the independent broadcast for the candidate to respond.

PERSONAL LOANS

Candidates agreeing to spending limits would be prohibited from spending more than $250,000 of their own funds for election to the Senate. Contributions could not be received after an election to repay personal loans of the candidate.

501(C) ORGANIZATIONS

Federal office holders and candidates would be prohibited from raising contributions from any one contributor of more than $5,000 on behalf of any 501(c) organization they establish, maintain or control. Federal office holders and candidates would also be prohibited from raising any funds for 501(c)(3) organizations organized to conduct voter registration or get-out-the-vote drives.

MISCELLANEOUS

Leadership PACs would be prohibited. Political committees, other than the principal campaign committee of the candidate would be prohibited from supplementing official Senate office accounts. Individual contributions in excess of $10,000 would have to reported to the FEC. Dependent children below voting age would not be permitted to contribute to a federal election campaign.

FEC REFORM

With respect to preliminary matters such as decisions to investigate violations the recommendation of the General Counsel would be sustained if supported by the votes of 3 Commissioners. Proposals similar to those proposed in S. 1655, would be included to shorten time periods of FEC action, authorize the FEC to seek court injunctions, and increase minimum penalty amounts for violations of the law.

Mr. DASCHLE. Mr. President, there will be a number of opportunities for us to discuss many of the specifics about campaign spending reform this week, and I intend to do that as amendments are offered. But certainly when campaign costs, as we have already discussed this afternoon, have been rocketing upward for over a decade, it is hard to believe anyone can call a bill that puts no real limit on political spending a "reform" bill, but that is what some will do. They craft and offer bills in which total spending is absolutely unrestricted and label them "reform."

Some reform. No limit of any kind; not a million dollars, not $5 million, not $25 million will they call a halt. Senators are forced to spend thousands of precious hours begging funds, but there is no halt. Voters are subject to hundreds of cheap attack commercials, but there is no halt. The rich and the powerful open doors with campaign cash, and still there are some who remain unwilling to dam the rivers of money that cause these problems.

Mr. President, make no mistake, it is absolutely impossible to stop the corruption of our political process by money until we slow the money chase. Politics is competitive in the extreme. We play to win. So long as money remains a big, big part of what it takes to win, and the amount of money one is allowed to spend is unlimited, the chase for funds will continue. Any reforms we do enact will soon be wiped away.

The cost of winning a Senate seat has gone from $600,000 in 1976 to over $4 million in 1988, a 700-percent increase and no end in sight. Tell me how we can reform our campaign finance system with costs escalating like that. Every Senator in this Chamber knows it can be done, and if we try to get reform by outlawing PAC's but we have no limit on total spending, we make kingmakers out of the rich individuals.

If we ban large individual donations, we make kingmakers out of the direct mail consultants and single issue organizations.

Whatever we ban, without a total spending limit, we just set off a frenzy chase to find the money somewhere else. Because it is still money that wins elections, and there is still no limit on how much money a candidate can spend to win.

The problem with the political money that is flooding our campaign streets is that in some ways, like the problem with drugs that are flooding our city streets, so long as the drug user is addicted, it makes no difference if we reform a neighborhood because the pusher just takes his drugs to a new neighborhood and sets up shop all over again. It is the same in politics.

So long as we remain addicted to big money to win, who cares if we clean up the PAC neighborhood. Does anyone really think the special interests will not be able to find ways to get their money into politics without PAC's? So long as candidates need it to win and there are lawyers to find loopholes, that money is going to find its way through another neighborhood right back into our campaigns.

The only answer is to cut the addiction; put a tough tight limit on total spending; make it so that money is not the determinant of who wins because nobody is allowed to spend more than a fixed amount. That is what this body must do to clear the scent of scandal from the air. That is what most Senators on this side of the aisle have been trying to do in this body for more than 3 long years. It is to the immense credit of our majority leader that he has persevered in that effort. He has long sought and offered compromise after compromise on this issue. He has spent long hours and pursued numerous tactics to try to break what, in effect, has been a 3-year filibuster against progress.

I was privileged to be appointed to serve on a bipartisan panel seeking compromise on campaign finance reform. When Democratic Members met amongst themselves for the first time, the leader had just one instruction: be ready to compromise on everything, he said; he wanted agreement because we want action at long last, not deadlock. He said Democrats should be willing to consider reasonable compromises on PAC's and on public financing, on TV time, on soft money, on enforcement, on disclosure, on every other issue.

Frankly, that is what we have done. As we sat down, we said everything is on the table; we will discuss everything; let us come up with a compromise; let us see if we cannot put together a bipartisan package that comes to the realization, at long last, that enough is enough.

But there is only one requirement our caucus set out. On this I believe the caucus spoke with unanimity. The caucus on many occasions, having had the opportunity to discuss this issue expressing many of the same concerns the leader expressed to us as we began our negotiations, said under no circumstances can we call it reform unless it has limits.

We cannot in good conscience agree to a campaign finance reform package that has not limits on the very runaway spending that has made reform an issue in the first place. With unanimity, we believe spending reform with no limit on spending would be a travesty, a fraud on the public, a guarantee that voter cynicism would only accelerate.

I could not personally feel more strongly about this issue. The vast majority of American people share our strong views about the need for legislation that will put a serious, realistic lid on total campaign spending.

Senator BYRD, who helped launch this effort, and Senator BOREN, who spoke so eloquently and who knows this issue so completely, both understand this same principle and feel as strongly as anyone in the caucus about our determination to compromise on everything, to give as much as we can give as long as one thing is given back, and that is a commitment on a ceiling, a commitment on limit.

I must say, Senator BYRD and Senator BOREN and so many who have labored on this issue for so long, deserve the highest commendation for the perseverance through the eight cloture votes and the thicket of political gamesmanship on this issue.

I know they will hold fast to the central principle on this reform battle, that central principle being tough spending limits. There may be no Senator who is entirely satisfied, nor can ever there be an entire satisfaction with each word in a comprehensive campaign finance reform package. I understand that.

But I am one Senator who is convinced that the compromises we each may have to make are well worth making so long as we retain serious enforcement limits on total campaign spending as a central part of our effort. To do no less, in my view, frankly, would be a sham.

So I hope this body will act promptly and fairly and in a spirit of cooperation with each side giving some but with nobody pretending we can reform anything if we do not slap a cap on the huge amounts of money that have infected our entire political system.

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

The PRESIDING OFFICER. (Mr. BINGAMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WIRTH. 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. WIRTH. Mr. President, none of us can go to any kind of a town meeting, meet with any group of constituents without having the issue of campaign finance reform come up. People are really fed up. They are sick and tired of what is going on.

Our constituents are telling us at least four things. Our constituents are telling us that campaigns are too long; they are telling us campaigns cost too much money; they are telling us that campaigns are replete with special interests, crowding out the average citizen; and they are telling us that campaigns are filled with negative campaigning and that substance is drowned out by the 22-second commercial.

And they are right. They are absolutely right. The American people know what is going on. As has been pointed out over and over again, this process is turning them off, the process of American politics. Campaigns are too long. Every one of us who has been involved in politics for any period of time watches how the cycle gets longer and longer and longer.

It costs too much money. When I first ran for the House in 1974 I spent $130,000 in that race, and that was one of the high-water House races in 1974. That has escalated on the House side. On the Senate side the figures have been laid out very clearly here. At the same time, in the mid-1970's, the average Senate race cost about one-half million dollars. Now it is eight times that amount of money and escalating again, escalating very sharply.

These campaigns are too long, and they cost too much money. All we have to do if we are concerned about special interests is look at what happened in the S&L crisis. There is S&L money and money from all kinds of other groups running right through the warp and woof of the fabric of American politics. That money is everywhere.

I suggest to you, Mr. President, almost none of that S&L money was PAC money. It was almost all individual contributions. It was not the PAC's. They contributed all of this, but it was not the PAC's. If you look at almost every one of those institutions that made contributions, there were not very many PAC contributions in there. It was mostly the executives calling in their friends, calling in their clients and targeting that money on individuals, and targeting that money on a particular interest. That happens all across the board.

We are seeing more and more interests buying into American politics. They are not buying in because they are concerned about the well-being of American politics, or concerned about the health of the Republic. For the most part they are buying in because they want a piece related to their particular concern. There is nothing unusual about that in our history. Lobbists have been out there forever. Lobbyists were outside the First Continental Congress trying to make their voices heard.

The people have the right to petition their government, but what this is all about is what kind of petitioning are we going to have. Are we going to have petitioning that is only at the end of a checkbook, or are we going to have petitioning that is legitimate, related to substance, related to the issues that our country, the Republic, ought to be concerned about?

Taxpayers are right. The campaigns are too long, they cost too much money, they are replete with special interests, and they have now become festooned with negative campaigning. The famous 22-second, 30-second spot all of us know we get set up for with amendment after amendment here on the floor of the Senate, "it sounds good if you say it fast enough" kinds of amendments. But then you get put into a thing saying you were against motherhood, apple pie, Americana, the Farm Belt, all that sort of thing if you vote against these amendments.

It is absolutely preposterous. We all know that is the case. But you get canned out there when some well-known political specialist takes it on; boom, you have a negative commercial. You spend your time answering a negative commercial.

The cycle gets worse and worse, and the American public increasingly walks away from the political process. That is what is going on. We all know that. I think everybody knows that this is what is going on.

I suggest to you one other thing that is going on that is maybe even more dangerous than any of those other items, that the advent of all of this money in politics is tending to make this a much less responsive institution. Our Congress, overall, and Members of this body, are concerned that if they do, maybe a contribution will not come from that particular group.

That is the least of the fears. A greater fear is that contribution might not come from those groups at a time that everybody has to raise this enormous amount of money. It may go to the other fellow, which doubles the penalty. You have to raise the money because the other fellow is getting it. You double the penalty. That is the second level of concern.

The third and greatest level of concern is that that group out there is going to organize what are called independent expenditures, in which a vast amount of money, hundreds of thousands of dollars, is going to be targeted in to run negative campaigns against an individual. The muffle of special interest money is out there, and out there in a very appalling and dangerous way.

People are afraid to do a lot of things they once would do. They are afraid to reflect the real values of their constituency. They are afraid to stick their own necks out, because what is happening is a real fear of political money, a real fear of retribution coming in. We do not like to talk about that, Mr. President, but in fact that is the case.

I suggest to you that the level of debate, the level of concern, the level of political fortitude has declined as a consequence.

What we have to do, Mr. President, is to clean this out. We need a "roto rooter" in American politics. We have to get into this and change this significantly, and that is the purpose of the legislation introduced today by the distinguished majority leader. We have to put limits on the amount of money that is in there.

We can talk all we want about sources of money and the difference between sources of money and expenditures of money. The basic fact of the matter is, as long as all of this money is pouring into American politics, this process is going to continue. As long as all this money is pouring in, campaigns are going to continue to be too long. As long as all this money is pouring in, the special interests are going to continue to have the voice that is getting louder and louder. And, as long as this money is pouring in, people running for office are not making very real decisions about their own campaigns.

Buy television here, and if that does not work, buy radio here; buy direct mail over here; hire volunteers to go out; hire phone banks. And if that does not work, buy everything that moves; put a bumper sticker on the carrier pigeons flying through your neighborhood.

There are not very real decisions being made. They are throwing enormous amounts of money at the execution of campaigns. I think limits on campaigns and limits on soft money is one of the greatest problems that we see. It was raised earlier regarding this long list of $100,000 contributors, skirting the law, putting money into campaigns. That is going on, and that is absolutely not the intent of what we have in mind.

Limits on PAC are in here, and that has a real down side to it; I will be the first to say. PAC's have been abused by many people, and PAC's are also a way that small individuals can make a contribution. That is now piously discussed on the other side.

How about "Tommy Tycoon" sitting up above the silent city, the president of that particular company, the head of that corporation, president of that bank, getting together with his vice president and with his suppliers, getting together and collecting many, many more times the money any PAC has ever contributed, and targeting that right in. What is the difference between the Tommy Tycoons of this world and the political action committees?

I do not think there is any. They are all trying to have a voice. It is perfectly legitimate. But the fact is that the voice has gotten garbled by the yank of the slot machines, by the clang of the money, by the jangle of too much cash in campaigns. We have to not only eliminate the force of Tommy Tycoon, but eliminate the force of the political action committee.

Ultimately, if we are really honest about this, Mr. President—I will close with this, and my opening comments on this very important major bill—we really have to ask ourselves, who do not want to pay for American politics? Who do we want to pick up the cost of the democracy, and democracy is expensive? Who do we want to pick up the tab? Do we want the average citizen of the country to be paying the cost of American politics, to pick up this tab of democracy, of self-government? Or do we want a few interests, with influence far beyond their legitimate stakes in this society, to continue to be hammering away at our government and its governmental structure?

I believe if you carry all of these arguments to their logical conclusion, you have to get to the voluntary checkoff, and ultimately to the kind of taxpayer funding of American campaigns, not dissimilar to what has been done in the Presidential race.

If you eliminate the soft money side of Presidential elections and go back to that public-private match, voluntary contributions from taxpayers, the checkoff, where they voluntarily say that is what they want to do, and match that in a way with a lot of small contributions, you have a system that has worked very well, aside from the soft money.

The abuses, in my opinion, that we saw in the sixties and seventies of a few very large interests having a hold on Presidental campaigns, cannot exist any more in that, and that is the right thing to do. That is a model we ought to follow. I think, inevitably, we get ourselves to that point, if we are going to be honest not only about PAC's, but honest about Tommy Tycoon. We are going to eliminate the ability of all those groups to reach beyond their legitimate interests and get back to where it ought to be, which is the individual's ability to control his own destiny in self government through the voluntary checkoff fund, encouraging that and making it work.

I am a cosponsor of the amendment which will do that, and I believe Senator KERRY of Massachusetts will offer it. That is the right way to go. Between now and then, we are going to have a lot of fencing and a lot of good discussion, some right to the point, others circumventing the real issues.

I am pleased that we are here, and I commend the distinguished Senator from Oklahoma for leading us and getting us this far, and the distinguished majority leader, Senator MITCHELL, for his continuing commitment to the goal of removing these abuses from American politics.

I think we have to start by limiting the amount of money. Campaigns are too long, cost too much, and they are replete with special interest; campaigns are foul with this kind of nega-

tive campaigning. Those are the basic and initial thrusts of what we have to do. We can do a variety of other things, but let us start with the proposal put forward this morning by the majority leader.

I yield the floor and look forward for a continuing debate on this. I hope we make real progress.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Illinois.

Mr. DIXON. Mr. President, I want to echo what my friend, the Senator from Colordo, has said, in expressing his high regard for what the majority leader and the distinguished Senator from Oklahoma have done in connection with the campaign spending reform legislation now before us in the form of S. 137.

I think it is entirely appropriate, as well, Mr. President, to remark about the fact that the majority leader's predecessor, our now distinguished President pro tempore, Senator BYRD of West Virginia, in his time as majority leader spent considerable time as well in an attempt to pass campaign reform legislation here in the Senate.

I do not know how much time we have spent on this, Mr. President, but we have spent a good deal of time. In the past, I think during the service of Senator BYRD as majority leader, we spent a number of weeks. He may later talk and elaborate upon our attempt to pass campaign finance reform legislation in the past.

Senator BOREN, of course, was an important leader in that attempt, as well.

I think it is time to just talk openly about the form of opposition that is being made to this legislation, because with a few exceptions, our friends on the other side are saying campaign spending limits are not the important thing. There are a lot of little things inside we ought to work on, but campaign spending limits are not the important thing.

My friend from Kentucky has said that again today. That has been the nature of the position of our friends on the other side of the aisle throughout the time that we have discussed campaign spending limits. But, Mr. President, I put it to you that campaign spending limits are the central question in campaign finance reform, and I want to examine that a little bit.

Incidentially, my friend from Kentucky claims the Supreme Court has said you cannot put on campaign spending limits. You can put on campaign spending limits. You can put those on. It takes careful crafting of a bill, but you can certainly put campaign spending limits into law if you appropriately draft the legislation.

If my friend who manages on the other side suggests that the President will veto such a bill, then I say it is time we test whether the President would veto such a bill, because I would love to go to the country, and campaign on the question of campaign spending limits. I want that issue to go to the country. I want it to be the central question in this campaign and the next campaign. I cherish the thought of it. I embrace the thought of it.

The people of this country want campaign spending limits. We want them overwhelmingly, Mr. President. In the last poll I saw, 80 percent of the people in America want campaign spending limits.

To suggest that the source of the money is important, but not the amount, I think is a remarkable form of argument. There are some bad sources, quite obviously. No one sought to accept money from bad sources in the first place. But the amount is significantly important.

Here is how far some of our friends have gone, Mr. President. A distinguished Congressman from Minnesota—I believe he is retiring—a senior man, on the House side, has persuaded Republicans in the House to actually put in their campaign finance reform bill that States cannot put limits on Federal races as part of what a State may do in connection with the control of campaign spending within its own borders.

Why did they do that? Because some of the States are sick and tired of the gutless inability of the Congress to put campaign spending limits on the outrageous spending practices that now take place in this country. So that New Hampshire with two Republican U.S. Senators, and Minnesota with two Republican U.S. Senators, both those States, contrary to what seems to be the will of the other side, at least in its majority, have placed campaign spending limits on everything within their States including races for the U.S. Senate and the House of Representatives.

My recollection is, and I could be off a few dollars, but I think New Hampshire has set a limit of $800,000 on U.S. Senate races, and $400,000 on House of Representatives races in New Hampshire. And Minnesota has put a limit on of $3.4 million for U.S. Senate races in Minnesota and I think $425,000 for House races.

Mr. President, I do not know whether this bill has been changed a little bit because it has been in an evolutionary process attempting to accommodate our friends' objections on the other side. Let me tell you I do not believe you will ever accommodate our friends on the other side enough that they will finally go for the one significant thing the country wants, campaign spending limits. But many changes have been made to accommodate them.

The last time I figured out the formula on the last bill—before we last modified it—in Illinois there would be a campaign spending limit of $4.5 million, and under the flexible rule I think you can spend another 20 percent which would get you over $5 million in Illinois, my State.

I know my State. I have represented my State one way or another in the Illinois House, the Illinois Senate statewide office, and the U.S. Senate now for 40 years, and I know my State. And anyone ought to be able to run a decent campaign for the U.S. Senate in Illinois for a little over $5 million if the same amount is spent on both sides. That is a level playing field.

We talk about level playing field all the time, on trade, on the economy, on everything, the level playing field. How about a level playing field in politics? Each side cannot spend more than x amount. For my State I would be willing to live by those kinds of spending limits.

When I go back to Illinois I hold press conferences all over my State. I want to tell you something: I called on the Illinois Legislature to pass a law to put on campaign spending limits for anything from dog catcher, State representative, Senator, secretary of state, State treasurer, Governor, and everything, and U.S. Senators and House of Representatives, put a limit on them. And I will live by the limit you put on and run against anybody. There are 11.5 million people in my State. Stand them all up. I will run against anybody, even amount of money.

That is fair. Let me put the lie to what has been said more than anything else around here regarding this plan to put a limit on campaign spending, "Oh, my gosh, this is awful, this is going to favor the incumbents." Hogwash. That is hogwash. Incumbents spend more all the time, not that that is the secret of incumbency. Go look at the record. The incumbents always spend more. I am trying to get somebody out there into the fight in a free fight, no holds barred. That is what I am talking about, fairness.

Campaign spending limits are fair, and they protect the voter.

If you report everything in full disclosure: Name, address, occupation, and everything else and put the right kind of limits on this thing, you have a good law.

And, listen, I will do that, I will vote for a campaign spending limit no matter how you do it inside. I will vote for public financing with a checkoff. I will do this, or I will keep it private financing under the Boren theory we had before where if a person rejects that limit then there is an accommodation financing. Under the private sector, I will do it anyway you want to do it.

And I am not a cosponsor of this bill because of the elimination of PAC's, but I would do that, too. Let me tell you something about PAC's. All this

trouble about how bad PAC's are. There are good PAC's and bad PAC's, just like good people and bad people.

I am going to say something right here. I have been into corporate meeting rooms 100 times in my State. I guess I am just throwing out the number, I do not keep track. I talked to 150 or 200 people. The chairman of the PAC calls them in the room. They all sit around, have a little coffee and donuts, and I talk for 10 minutes and answer questions for 1 hour on the budget, campaign financing, the question of taxes and revenue, every kind of imaginable thing that a public servant is asked to answer to the people about just like in a town hall meeting. I have done it innumerable times at meetings with PAC's, PAC's for all kinds of companies in my State. And then in campaigns I have done it, and as I am leaving here comes my opponent running for the same office, running against me, who makes a speech and answers questions. Sometimes they voted to give the money to the other person, not to me. That is good. That is democracy in action. I do not happen to see that much problem with PAC's at all. I understand some do.

The other side seems terrified about a fair fight, with campaign spending limits. I am talking about reasonable campaign spending limits. My friend in the chair probably knows what that is for South Dakota. I suspect my friend from Kentucky probably knows what it will be for Kentucky.

Now I have been elected to the U.S. Senate twice. Once, I spent a little over $3 million, and the last time I spent a little over $2 million, second least per capita of any successful candidate in 1986; second least, per capita. I am telling you that I am willing to have fair spending limits for my State, and the people of my State want it.

Mr. President, if we do not put campaign spending limits on shortly, we are going to have some scandals in this country that are going to knock your socks off. I do not profess to know what is going to occur. But I can tell you now that every Senator, several years before his or her election cycle, spends all of his or her time trying to raise money. In fact, I am embarrassed to say this, Mr. President, but you know it is so, and there are two other Senators on the floor and they are on the other side of the aisle and they both know it is so.

The first thing you do after you get reelected is begin to start raising money again. Do you know, Mr. President, that when I first ran for State representative years ago, you did not raise any money. You just spent a little of your own, a few bucks, to get elected. Costs in campaigns have skyrocketed. And now every candidate for the U.S. Senate, Democrat or Republican, starts raising money the moment they get here for the next time they run again, and they do it all the time, night and day, weekends, 365 days a year for 6 years.

Mr. McCONNELL. Will the Senator yield?

Mr. DIXON. Yes, I will yield.

Mr. McCONNELL. I just say to my friend from Illinois that, on the point he was just articulately making, the facts just simply do not back up my friend. We looked at the class of 1986, which I believe is his class, and of the total amount of money raised by incumbents who were in the class of 1986, 4 percent came in the first 2 years, 10 percent came in the second 2 years, and 86 percent came in the last 2 years. So very few of the class of 1986 were raising any money in the first 2 years.

To show that the pattern persists, we looked at the class of 1988. In the first 2 years of that 6-year term of the class of 1988, they raised 6 percent of their money. In the second 2 years, they raised 11 percent of their money, and 83 percent of it in the last 2 years.

So I think what the Senator may be sensing here is that these are people having fundraisers, but they are the people who are in the last 2 years of their 6-year cycle and they are typically the Senators who have competition. Those who do not have competition—my friend Illinois was fortunate enough not to have a real tough race in 1986—and when that happens, fairly little money is spent, and the turnout goes down, and there is not that much interest. That is a great situation for the incumbent. I hope to have that someday.

Mr. DIXON. I thank my good friend from Kentucky for the interruption. I do not know what the statistics that he holds say that he may think persuasive, other than the fact that you start slowly and build up, I expect.

But I can tell you something, if my friend intends to continue to persist in the U.S. Senate, to try to persuade the people of this country that it does not matter how much you spend, that that is not a problem, he has got the weakest case anybody ever took into court. I do not care how you write it down on a piece of paper. The cost of these campaigns is becoming outrageous.

My friend knows that people travel all over the country. Chicago happens to be in my State. I am telling you the candidates from both sides are in Chicago all the time. There are favorite cities, we all know that. There is Chicago, and there is New York, and there is Los Angeles and Dallas and Houston and Miami. You can go throughout the country, and you will see the candidates out there raising money all over the country because of the oppresive costs of these campaigns.

If we do not do something to limit spending, I say to my friend there will be serious problems and people are going to get in serious trouble. We need to do something to bring this spending under control.

I want to come back to the incumbency argument. I wrote an op-ed piece that was printed in the New York Times about that. The actual fact is that there is very little incumbency protection in the U.S. Senate. The plain fact is that the evidence shows it is the incumbents that are raising the money. If we put limits on, in my view, it will not be an advantage for the incumbents in campaigns in the future. It will be, in almost every case, a situation in which there will be an opportunity for a fair and even contest between the candidates. I think that is what we ought to do.

I just want to conclude by saying this. I will vote for any bill, Mr. President, that has campaign spending limits on it. I think PAC's are all right. If you want to limit them, I could live with it. I do not think it is a good idea. If you want to eliminate them, I could live with it, but I think it is a terrible idea. Do anything else you want. Put any kind of configuration on it you want to, Mr. President. Make it private financing with some kind of a method in there that Senator BOREN suggested in the past that works, or public financing by a checkoff method or anything else you want.

But I say to you, Mr. President, that there is, simply, no campaign finance reform, none, that does not have campaign spending limits. And anybody that wants to go throughout the country and argue that they have made an honest, conscientious, worthwhile attempt to do something about campaign finance reform and has not put a limit on the spending has been kidding the country. That is the view of this Senator.

Campaign finance reform without campaign spending limits is not reform, should not be disguised that way, and will not fool the public in any State or in the country.

On that, I close and yield the floor, and say I will vote for any bill, in any form, that in the end puts a decent, reasonable, defendable limit on campaign spending in any of the States of the country.

I yield the floor.

Mr. McCONNELL. Mr. President, just a couple of observations. My friend from Alaska has been waiting to speak on another issue.

I read Senator DIXON's article that was in the New York Times. I thought it was excellent.

I 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 the New York Times, June 12, 1990]

THE POWER OF INCUMBENCY IS A MYTH

(By Alan J. Dixon)

WASHINGTON.—The idea that Senate incumbents have an overwhelming electoral advantage is a myth. It should not control decisions involving campaign finance reform.

Some advocates of reform argue that challengers need special protections in order to compete with incumbents and their purported advantages of office. Yet, statistics show that outspending a challenger hardly guarantees re-election.

The supposed advantages include staff members who do nothing but spend time burnishing the Senators' images; the franking privilege, which leads to ever-increasing volumes of mail to constituents, and Senators' access to their own TV and radio facilities, which helps them command much more media attention than challengers can gather.

Let's examine Senate elections dating from 1978. The choice of that year is dictated by three considerations: it allows a review of six Senate elections and two full six-year terms; it includes two elections when the President was a Democrat, and it avoids possible aberrations from the Watergate scandal.

In 1978, 35 Senate seats were up for election, 10 because of retirement. Ten incumbents were defeated—three in primaries and seven in the general election. Considering just the 25 seats in which an incumbent was seeking re-election, only 60 percent of the incumbents were returned to office. Looked at another way, freshmen won 57 percent of all the seats at stake; in other words, more than half the contested seats were lost by incumbents.

Clearly, incumbency was no distinct advantage that year: 60 percent is a far cry from the 98 percent retention rates talked about so much these days. However, even the 60 percent figure understates challengers' real competitiveness: some incumbents retire because they believe they cannot win re-election.

If anything, 1980, when control of the Senate shifted to the G.O.P., was even more dramatic. Thirty-four seats were contested. Five incumbents resigned, and 13 lost—four in primaries, nine in the general election. Challengers won 44.8 percent of the seats contested by incumbents. Overall 52.9 percent of the seats at stake went to freshmen.

Somewhat surprisingly, considering that the country was in deep recession at the time, 1982 was a more pro-incumbent year. There were 33 seats at stake, and only three Senators retired. Only two incumbents were defeated, so newcomers won merely 6.7 percent of the contested seats and incumbents succeed in 93.3 percent of the races. Looking at the overall numbers, incumbents retained 84.4 percent of the seats at stake; freshmen won 15.2 percent.

In 1984, 33 seats were contested, and four Senators retired. Three incumbents were defeated. All three—two Republicans and one Democrat—outspent their challengers. The challengers won 10 percent of the seats contested by incumbents, and freshmen won 21 percent of the overall seats at stake.

In 1986, when the Democrats regained control of the Senate, 34 seats were contested. Six Senators retired, and seven incumbents lost; six of the seven defeated incumbents outspent their challengers, but, again, their treasury did not save them. Incumbents retained 75 percent of the contested seats. Freshmen won 38 percent of the seats up for election.

The most recent Senate election, 1988, again demonstrated the competitiveness of Senate races. Thirty-three seats were contested. Six Senators retired and four incumbents were defeated in the general election. Challengers, therefore, won 14.8 percent of the contested seats. Freshmen won 30.3 percent of the seats at stake. Two incumbents outspent their successful challengers.

These figures make a compelling case that there is no exceptional advantage to incumbency. In the six elections reviewed, only twice did incumbents win in 90 percent of the races or more. In at least two elections, newcomers won more than 50 percent of the seats at stake, and incumbents retained 60 percent or less of the contested seats.

The nation's 100 Senators serve six-year terms, and only one-third of the Senate faces the voters in any Federal election year. That makes it even more significant that there are only 55 Senators today who were Senators in 1978. Since then, 34 incumbents have retired and 39 have been defeated by challengers.

What this means is that, on average, Senators have a 55 percent chance of staying in office for more than two terms. The Senate, therefore, bears no resemblance to an incumbents' protection club. It is extremely competitive—a fact that Senators should keep in mind as they strive for the necessary consensus on campaign reform.

Mr. MCCONNELL. Senator DIXON's thesis essentially was that races are competitive in the U.S. Senate. I could not agree more. There are plenty of reasons for changing the current campaign finance system. I do not like the status quo. I would like to change it. But the one thing it has been in the Senate is competitive.

Under the current system, the Senate has changed hands twice, and Senator DIXON makes an important point when he says in his New York Times article "The Power of Incumbency"—at least in the Senate—"Is a Myth." Senate races have, indeed, been pretty darn competitive.

I have a couple of observations about spending limits and challengers. Campaign costs for successful challengers have been expanding at a greater rate than both population growth and inflation. What we need to remember here is that a challenger does not have to spend more to win, but he has to be able to spend enough. Challengers typically do not outspend incumbents, unless they happen to be sitting Governors.

By the way, I might say under the Democratic proposal that is before us, if it happens to pass, every incumbent here is going to be a sitting duck to an incumbent Governor running against him in an election with that kind of spending limit. But that is just an aside that some of my colleagues might be interested in. Nevertheless, the challengers do not have to spend as much to be competitive, but they have to be able to spend enough to get their point across.

That is illustrated by recent statistics: 13 of the 16 successful Senate challengers elected since 1980, that is 13 out of 16, spent more than the limits proposed in the Democratic proposal in order to win. As I have said repeatedly, challengers do not have to spend as much or more than an incumbent, but they have to spend enough to communicate their message. In most cases this is an amount which is more than the Democratic substitute would allow. Only two successful challengers since 1980 spent more than the incumbent.

I would just like to mention the Senate challengers who are sitting in the Senate today who were elected who spent more than the spending limit contained in the Democratic substitute before us: Senators LIEBERMAN, SHELBY, SANFORD, HARKIN, KERRY, GRAHAM, DASCHLE, BRYAN, FOWLER, and SIMON; all exceeded in their races as challengers the limits currently in this bill.

I suspect, the campaign costs having gone up like everything else in America, and even more so, it would be very, very difficult for those people, if they would go back now and challenge incumbents under this limit, to have any chance of success.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent I may speak for 7 minutes as in mornings business.

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

KANSAI INTERNATIONAL AIRPORT AND THE JAPANESE CONSTRUCTION MARKET

Mr. MURKOWSKI. Mr. President, in November 1989, in March of this year, and again in April, the United States Trade Representative Carla Hills cited Japan as having unfair barriers to trade in construction services. In each instance, no measures were taken against Japan. That is because, as Ambassador Hills stated, although the Japanese construction market has unfair barriers, progress is being made to open that market. At least that is what we thought.

This week I learned some news that I find very disturbing, and it leads me to question whether progress is indeed being made. An American company, AEG Westinghouse Transportation Systems, lost a contract with the Kansai International Airport, and there are some serious questions about whether the contract awarding procedures were followed according to the rules, rules that had been previously agreed to. The contract was for a specialized rail system. This American firm is the world's unquestioned leading producer of these systems. There are only 15 in existence and 12 were built by AEG Westinghouse. Not only

is this American firm the most experienced in building these systems, the system is one of only a handful of projects at Kansai where we know without doubt Americans have a leading edge. Kansai International Airport is an $8 billion project. It is going to be one of the construction wonders of the modern world. The airport is being built in some 60 feet of water in Osaka Bay.

The Kansai project was supposed to become a symbol for a new era in United States-Japan cooperation, an era during which United States companies would have the same opportunities to compete for work in Japan that Japanese companies have for projects in the United States. It sounds very reasonable. However, the circumstances surrounding the rail system contract suggest that Kansai will not be a symbol for progress. Kansai may become a reminder of the problems—problems that may require additional firm congressional action.

BACKGROUND ON KANSAI

Mr. President, more than 3 years ago I came before the Senate to address the building of the Kansai International Airport in Japan. At that time, it was in May 1987, I pointed out to my colleagues in the Senate that our Ambassador to Japan, it was then Ambassador Mansfield, had 1 year earlier called for the Japanese to allow nondiscriminatory bidding on the Kansai International Airport project.

Mr. President, it is 4 years later, and I rise again today to address the same issue—Kansai Airport. For the past 5 years the United States Government and private sector have been negotiating with the Japanese on the very subject which Ambassador Mansfield addressed in 1986, an open and competitive bidding for contracts involving the Kansai Airport, and for construction market projects in Japan generally. We now stand at a crossroad on this issue; both governments come to the negotiating table this week to review progress on our bilateral construction agreements and contracts for the Kansai International Airport now being awarded.

Mr. President, I am deeply concerned about how little has actually changed in the 4 years in which I have followed this issue, and I would like to take this opportunity to elaborate on the actions the U.S. Congress has taken previously, where those actions got us, and what actions I am prepared to take now and in the future.

First, allow me to explain some details of the construction markets in the United States and Japan. The U.S. construction market is worth about $420 billion. That is construction that occurs in this Nation. On average, Japanese firms participate in our construction market on about 2.2 to 2.4 billion dollars' worth of projects annually. We welcome this competition and participation in our market. It is healthy and we are happy to have them participating in our markets.

The Japanese construction market is larger; it rings in at about $470 billion, or $50 billion larger than the United States market. Yet, American construction firms have done around 200 million dollars' worth of business in Japan. That is a cumulative figure, not an average annual figure. In 1986, when I got involved in this issue, the U.S. figure was zero. I think we had two Mrs. Fields Cookie store-fronts in downtown Tokyo. Now some people say we have been making progress when the United States market share in Japan went from nothing to $200 million in 4 years. That is an average of $50 million a year compared to an average $2.4 billion a year of Japanese work in the United States. That is barely 2 percent of Japanese business here. I believe this falls far short of true progress.

By contrast, in 1981 the Japanese did about $50 million in construction business in the United States. By 1985 they were up to nearly $2 billion, and now $2½ billion. Certainly Japanese firms are making progress in the United States and as they do so our market becomes more competitive for our domestic contractors. That opens up the question of, should our contractors have an opportunity to participate in the Japanese market?

Early on, we learned that one of the things holding back United States firms was a familar catch-22 scenario; foreign firms could not bid on a Japanese project without a construction license, but a construction license could not be obtained without construction experience in Japan. Through concerted efforts of the U.S. Government, we have achieved a small victory in this arena and now U.S. firms can get licenses in 2 or 3 months as opposed to 2 years.

AEG WESTINGHOUSE AND THE KANSAI AIRPORT

Let us look at the Westinghouse bid in specific. In May 1988, the United States and Japan entered a bilateral agreement called the 14 major projects agreement. This plan was established to give American construction firms experience in the Japanese market perhaps in joint ventures, as well as to provide for a more transparent procurement procedure on Japanese public works projects. The projects covered by the agreement have an estimated value of nearly $17 billion over 10 to 15 years. The centerpiece of the bilateral agreement is Kansai International Airport.

This airport, as I mentioned, is one of the world's largest construction projects. It is to be built on artificial land in Osaka Bay, and is estimated to cost over $8 billion. There is no question in my mind that American experience and expertise in construction, design, engineering and architecture is competitive in this industry. There is also no question in my mind that American business has something to offer to this project. The projects where we unquestionably hold the leading expertise are few however, and that is why I am particularly interested in those contracts. Because we do have expertise in people movers, expertise in flight kitchens, and expertise in baggage handling.

We received word this week that one of the major contracts relating to Kansai, the contract for the automated guideway transit system was awarded, not to an American company, but to a Japanese company, as one might expect. Let me state for the record that this contract is worth something near $50 million.

AEG Westinghouse Transportation Systems was an American firm competing for the contract, as I have noted. An automated guideway transit is like a subway, it is like the train we Members of the Senate ride from our offices to the Capitol Building. However, it is more efficient. People in the business call it a "people mover." However, airport people movers are far more sophisticated in design than the one in the basement here in the Capitol.

Airport people movers are must-ride systems. The entire functioning of the airport depends on how accurately the people mover runs. Two additional factors make airport people movers more sophisticated that others: They must move a very specific number of people in a strict amount of time, and the density of operations is far greater because of the high number of short trips.

In the entire world, as I have indicated, there are currently only 15 airport people movers operating or under construction. AEG Westinghouse built 12 of those 15, or 80 percent. They have 20 years experience in the market, and are by far the largest producer of these systems in the world. There is no other company or country which can boast experience like that. The Japanese company which won the contract has never built an airport people mover before. Never, Mr. President.

Furthermore, I would like to point out that there is some question whether the correct procedures were followed throughout the bidding process. Our bilateral agreement states that all bids will be publicly opened; it is not clear that happened. In fact, AEG Westinghouse was not even notified by Kansai officials of the awarding of the contract until 2 weeks after the fact. The U.S. State Department alerted Westinghouse that the award had been made. Additionally, there is a question of how closely the specifications for the system were considered in the award. In other words, were the

specifications that the American company had to meet the same ones that its Japanese competitor will meet? Mr. President, we have not been able to find out.

Mr. President, I ask my colleagues, is this the right signal for the Japanese to be sending? This is the first real piece of business on the hallmark project of a bilateral agreement which was drafted with the intention of helping American firms gain experience in the Japanese construction market. The world's most experienced firm spent nearly $1 million dollars to compete in this bidding proposal and in this market. We have seen this happen, Mr. President, not once but over and over. We continue to be on the outside of the Japanese construction market. I want complete answers to these allegations. I demand to know if our bilateral agreement is being compromised.

LEGISLATIVE HISTORY AND POSSIBILITIES

The 14 major projects agreement, which I referred to before, is currently under review by both governments. The negotiators have met twice, and are meeting again on August 2 and 3 here in Washington DC. They are to determine whether the agreement is being carried out in the spirit in which it was written, and whether progress is being made in opening of the Japanese construction market to foreign competition. I am prepared to say that progress is not being made. The Japanese market remains, for the most part, very closed, and the spirit of the agreement is not being upheld.

Congress has enacted legislation in the past intended to pry open this market, when the Japanese have refused to open it themselves. In 1987, I offered, along with 30 cosponsors, an amendment to the Airport and Airways Safety Act, which is now law. This amendment enables the United States to disqualify any foreign bidder from participation in airport construction in the United States, which involves $500,000 or more in Federal funding, if they restrict access to American firms on their government-funded projects. It is strictly reciprocity, Mr. President. The USTR must make this determination every year. In April 1990, Ambassador Hills decided not to sanction Japan. But Ambassador Hills did conclude that the Japanese construction market is closed in her 1990 Report on Foreign Trade Barriers.

I say, based on the results of the recent Kansai Airport contract, the progress is currently not enough to exclude Japan from these sanctions again. I will be watching these talks closely next week.

Finally, Mr. President, in 1988, along with my distinguished colleague from Texas, Congressman JACK BROOKS, I offered an amendment to a continuing resolution which prohibited Japanese participation in United States public works construction if they discriminate against United States firms in their public works construction projects. Again, Mr. President, reciprocity. A Japanese contract for work on the D.C. Metro line was actually blocked because of the Murkowski-Brooks amendment. This statute has lapsed, but it has not been forgotten.

It is my understanding that another contract decision is about to be made for the baggage handling system at Kansai. I know of one American firm which has bid on this contract that has maintained an office in Japan for 17 years. The business they have won is little to nothing, and yet they have shown the commitment and interest to stay in Japan for nearly two decades. I hope to see the Japanese show similar commitment, in the spirit of the bilateral agreement, and in honor of their commitment to provide the same access to their markets which we provide here in the United States.

Mr. President, I repeat, I will be paying extremely close attention to talks being held here in Washington on August 2 and 3. I will need to see much more progress than I have seen to date, in order to be satisfied. If not, I am ready to use a legislative approach to prying open the markets where Americans are competitive, competent, and deserve to compete.

Mr. President, please understand that this is not a bashing mission by any means. It is simply a case of reciprocity. We welcome the Japanese into our markets. We simply maintain that we should have the same opportunity to participate in their markets.

I thank the Chair, and I yield the floor.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. KERREY). The pending question is amendment No. 2432.

Mr. MURKOWSKI. 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. McCONNELL. 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 Senator from Kentucky.

Mr. McCONNELL. Mr. President, I momentarily am going to send an amendment to the desk and ask for its immediate consideration. It is being Xeroxed right now.

The reason it took a couple of hours to get ready, as I indicated earlier, is because we just received the most recent amended version about noon today. It will be ready shortly, and I will proceed to describe it at this point.

Mr. President, once again there is a movement afoot to stick the American taxpayer with a bill for our political campaigns, under the guise of S. 137, the Democratic campaign finance reform bill.

It is being marketed as reform. Obviously, truth-in-advertising laws sometimes do not apply to us. S. 137 is a retread. They have dredged the 1970's found a lemon of a campaign finance vehicle, tuned it up a little and unveiled it in 1990 as the panacea for real and perceived corruption in the political process.

Mr. President, underneath the hood, it is the same old lemon running on taxpayer financing and spending limits. The amendment I will be offering shortly would send the taxpayer financing provision of this bill to the junkyard where I think it belongs. I will continue to address the failures of spending limits. At this juncture I will turn to the issue, however, of taxpayer financing. S. 137 is modeled on the current Presidential taxpayer financing system in which funds for campaigns are raised through a reputedly voluntary checkoff on tax forms.

A look at the fine print shows it is not so voluntary. The Presidential system is a voluntary checkoff in that you do not have to mark the box. But every taxpayer pays for those who do. The checkoff allocates money from the Treasury, money that can be used for things such as education, health care, child nutrition, or even reducing the deficit. Additional taxpayer money must, therefore, be spent to replenish that taken for the Presidential election campaign fund or these other programs come up short and the deficit increases.

So taxpayers have involuntarily paid $500 million for the last three Presidential elections, taxes that funded the campaigns of fringe candidates like Lyndon LaRouche and Lenora Fulani, who have received millions of public dollars for their respective ambitions. Andy Warhol once predicted that everyone would be famous for 15 minutes. He did not envision that taxpayers would pay for the spotlight.

The proposal the Democrats unveiled in May made the presidential race look like a red-tag sale. Extrapolating the funding mechanism in the Democratic bill to House races, the goal of proponents, the price tag added up to nearly $500 million every 2 years. That is half a billion dollars. Realizing Republicans and the American taxpayers were not going to be receptive to such an expensive proposal, last Friday the other side announced that the major candidate subsidy was being deleted from the package. I commend this decision. However, remain-

ing in the bill are several provisions that will cost hundreds of millions of dollars if, as is inevitable with such legislation, it is extended to the House of Representatives. Let me explain.

Under the original proposal, the major candidate subsidy equals 70 percent of the general election spending limit. Adding up the limits in their bill and multiplying by 70 percent, then multiplying by two Senators per State, then multiplying by two candidates per race, and dividing by three to obtain the 2-year cycle figure, our analysis concluded a $75 million price tag for the Senate. Using the same formula with the House, assuming a $600,000 limit and multiplying by 435 congressional districts and by 70 percent and by two candidates per race, we reached a total of $365 million—$365 million just for House races.

Still in the bill is the broadcast provision whereby candidates are given communications vouchers that they give to broadcasters for television advertising. The broadcasters in turn submit the vouchers to the Federal Government for redemption, a veritable food stamp program for politicians.

The value of communications vouchers equals 20 percent of the general election limit. Using the same formula as for the major candidate subsidy and substituting 20 percent for 70 percent, our analysis showed a total of $21,315,713 for the Senate, $104,400,000 for the House. The Democrats' proposal up until last Friday would have cost $565,718,460 every 2 years for just the major candidate subsidy and communication voucher provisions.

Another big ticket item still in the Democrats' bill is the independent expenditure provision whereby the Federal Government pays to candidates an amount equal to independent expenditures against them, thus a bidding war between the taxpayers and special interests.

Another interesting provision in the Democrats' bill provides penalty payments to candidates whose opponent does not comply with the so-called voluntary spending limits. Proponents of the bill call this a carrot. From my view it looks more like a sledgehammer.

Semantics aside, candidates who choose to exercise their first amendment right not to comply with the limits would be pummeled. Were this section to stand up under constitutional scrutiny, which, as I indicated earlier this afternoon, is extremely unlikely, it could cost taxpayers a huge amount of money. If one-fourth of the Senate candidates did not abide by the limits, it would cost taxpayers $26,640,017. A one-third nonparticipation rate would cost $35,525,356. Should half the candidates decide to exercise their free-speech rights, the taxpayers would be stuck with a $53,280,034 bill. As this provision is extended to the House, the costs rise exponentially from $130,500,000 if only a fourth of the candidates refuse spending limits to $261 million if half the candidates do. For $500 million you would expect to get something for your money other than an assault on the first amendment. Particularly ironic is that so many of the cosponsors of this plan declined to support the flag-burning amendment because they professed to revere the first amendment so much, yet they are hard at work pushing a bill that seeks to limit the free speech of political candidates.

What you get under this proposal is a fraud, a system riddled with abuse and ripe with sewer money. The only ones who win are the lawyers, accountants, and fringe candidates who push their agendas and stick the taxpayers with the bill.

Aside from concerns over plundering the Treasury for a campaign system riddled with loopholes and abuse, the tax refund checkoff itself is a failure. The Federal Election Commission has notified Congress that the Presidential election campaign fund may be bankrupt by 1992. The checkoff rate has plummeted 30 percent in the last decade. Obviously, the American taxpayers are not very excited about checking off their tax dollars for political campaigns.

Fewer taxpayers are willing participants in this charade. Despite their clear signal that taxpayers do not care to pay for quadrennial Presidential campaigns, proponents persist in their efforts to expand this debacle to 535 congressional races. They contend that there is widespread support to pay for all of our political campaigns. These claims are far removed from reality, Mr. President.

To bolster their positions, advocates are flashing around a survey that purportedly indicates a groundswell of support for taxpayers funding of congressional campaigns. A review of this study sheds some light on these claims.

On page 3 of the study, it is noted that "voters are adverse to paying more of their own tax money to finance political campaigns." While proponents of public financing trumpet the study's finding that 58 percent would support a checkoff from taxes they already pay, the fail to mention the next line in the survey where it is noted that this support drops dramatically when it is clear the change could add $2 to their taxes.

Further, the study states, "Just 36 percent of the respondents, even after hearing all the arguments, said they would definitely or very likely give $5 to create a fund to finance congressional campaigns and get rid of the current system."

The Presidential election campaign fund is evidence of the public's disdain for public financing of campaigns, even out of taxes they already pay. During the 1980's, the participation rate in the $1 dollar tax return checkoff dropped nearly one-third to just 20 percent of the American taxpayers.

The FEC estimates that the fund may be bankrupt, as I said earlier, by 1992. As for the accuracy of the Public Citizen poll, to which I have been referring, and its relevance to how successful a checkoff would really be, 43 percent of the respondents said they currently check off the $1 Presidential fund contribution. That is twice the actual checkoff rate leading to a certain question of who was in the sameple in this poll.

Another indication of the polls tendency to say what they think the questioner wants to hear, 75 percent said they almost certainly would vote in the November elections; 25 percent said they probably would. No one said they would not vote.

Can you imagine that? I do not think we are going to have that kind of turnout in this November election. Is there anyone here willing to bet we will have a 75-percent turnout this year or that 58 percent will check off for public funding of congressional campaigns?

I do not know where Public Citizens found these folks they were surveying, but clearly it was a pool of people designed to tell them what they wanted to hear.

While Americans are concerned over perceived abuses and corruption in the political process, the problem which S. 137 would only exacerbate, they are much more concerned about other issues, issues that could use the funds currently diverted to our failed Presidential election system.

The Public Citizens press release announcing this poll was more notable for what it left out rather than what it said. Their press release did not mention their own polls finding that just 5 percent of what is obviously a preselected pool say corruption and special interest money and politics is their top concern. The study states that Americans are "much more concerned with drugs, crime, education, the economy, and taxes."

Clearly taxpayers are not willing to pick up the tab for S. 137 even under the guise of reform. Taxpayers should be allowed to support candidates of their own choosing voluntarily rather than be forced to pay for causes and campaigns of people they do not voluntarily support. Eastern Europeans have fought a long and courageous battle to get out from under tyranny to achieve for themselves the freedoms that our Founding Fathers secured for Americans over 200 years ago. We should take care not to chip

away at our own democracy for the sake of a public relations veneer of reform such as that in the underlying amendment before us.

The bill of the other side would be a costly mistake. I think we ought to give taxpayers a break by agreeing to my amendment which I will sent to the desk at this point.

AMENDMENT NO. 2433 TO AMENDMENT NO. 2432

(Purpose: To strike provisions relating to taxpayer funding of Senate campaigns)

Mr. McCONNELL. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL] proposes an amendment numbered 2433 to amendment No. 2432.

Mr. McCONNELL. 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 9, line 4, strike the comma and insert a semicolon.

On page 9, strike lines 5 and 6.

On page 9, strike lines 15 through 19.

On page 20, strike line 3 and all that follows through page 22, line 22.

On page 22, line 24, and page 23, lines 1 and 2, strike "who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (2) and (3) of subsection (b)".

On page 23, line 3, strike "from such payments to defray expenditures".

On page 23, line 5, after "section 503(b)" insert "in amounts equal to the amount of any independent expenditures in opposition to such eligible candidate".

On page 24, strike lines 3 through 21.

On page 25, strike lines 3 through 20.

On page 26, strike line 3 and all that follows through page 29, line 19.

On page 30, strike lines 11 through 22.

On page 32, strike lines 1 through 8.

On page 32, strike lines 13 through 15.

On page 37, strike lines 1 through 9.

On page 46, strike line 20 and all that follows through page 47, line 17.

On page 51, lines 19, 20, and 21, strike "to the Secretary of the Treasury for payment of any amount to which such eligible candate is entitled under section 504(a)".

On page 51, strike line 22 and all that follows through page 52, line 11.

On page 54, strike lines 16 through 20.

Mr. McCONNELL. Let me just say, in summary, what this amendment is about. If Members of this body want to delete taxpayer funding from the underlying proposal which is before us, they should support this amendment. This amendment strikes out of the bill public funding, restores campaigns to voluntary funding, and would not use a dime of taxpayers' money to support the political process. That is what the McConnell amendment, which is before us, is about. We will be discussing that later. I yield the floor.

Mr. BOREN. Will the Senator yield for a question, so I might understand all the details?

Listening to the Senator explain it, I gather that the Senator would take out of the bill what I have referred to as standby enforcement funding. In other words, that portion of the funds that would come if one of the candidates accepted the voluntary spending limit, or the candidate did not accept the spending limit, and under the terms of our bill as filed if the other candidate broke the barrier and began to spend a certain amount, then funds from the checkoff funds would be available to that candidate.

So am I correct that the Senator would strike out that, what I call standby financing or the enforcement financing?

Mr. McCONNELL. It is the goal of the amendment of the Senator from Kentucky to strike out the broadcast vouchers which would be paid for.

Mr. BOREN. That would be stricken as well.

Mr. McCONNELL. In addition to that, strike out the possibility of public funding which would punish those who would exercise their first amendment rights by exceeding the arbitrary spending limit that the proposal seeks to establish on a State-by-State basis. Summing it up, it is the goal of this amendment to strike out of the bill any possibility of public funding.

Mr. BOREN. Does the Senator's amendment also strike out lower mailing rates for those candidates that comply?

Mr. McCONNELL. No.

Mr. BOREN. As I understand it, it really strikes out the broadcast vouchers, and the standby fund from the checkoff would go to a candidate if the other candidate broke the spending limits in the bill. Is that correct?

Mr. McCONNELL. Those two, plus the independent expenditure response.

Mr. BOREN. Under our bill, S. 137, if an independent group makes an independent expenditure above a certain amount, the candidate who is being attacked by the independent group can also get some funds from the checkoff to answer. That is new—striking out that as well.

Mr. McCONNELL. That is correct.

Mr. BOREN. I thank the Senator.

Mr. WILSON. I address the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I wonder if the distinguished Senator from Kentucky would respond to a few questions. I listened to his speech with the greatest interest. I want to be clear.

As I understand it, what he is talking about would be an elimination of public financing.

Mr. McCONNELL. Yes; that is the goal of the amendment of the Senator from Kentucky.

Mr. WILSON. Or to, I think, put it more accurately, to use words the taxpayers can understand, taxpayer financing.

Mr. McCONNELL. That is correct.

Mr. WILSON. As I understand the current arrangement, I am not addressing myself now to the amendment which the distinguished Senator from Oklahoma has proposed, but just to existing law, we have a situation in which there are a declining number of Americans who have been availing themselves of this opportunity to check off $1 to fund the Presidential campaigns with a certain amount of public financing.

Mr. McCONNELL. That is correct.

Mr. WILSON. That is true, even though they are advised on their tax return that by making that checkoff they are neither diminishing their refund nor adding to their own tax bill.

Mr. McCONNELL. The Senator is correct.

Mr. WILSON. From the standpoint of the individual, from his own immediate self-interest as a taxpayer, it costs him nothing to check that box.

Mr. McCONNELL. That is correct. In spite of that, the participation is declining to the point where the FEC has indicated that in all likelihood there will not be enough money in the fund to provide funding, public funding for the Presidential race in 1992.

Mr. WILSON. The study that the Senator mentioned indicates that something like 75 percent of the respondents said that they had voted in the last election.

Mr. McCONNELL. This was the Public Citizen survey.

Mr. WILSON. Perhaps they took the survey in their own office.

Mr. McCONNELL. It appears to this Senator it had not been a pool of voters most unlike the rest of Americans.

Mr. WILSON. Let me ask further. The effect of this, as I understand it, in the Presidential campaigns has been that a certain amount of tax money was allocated to the support of the Presidential candidacies. And necessarily that has meant that whatever level of support that was provided by the taxpayers to the campaigns of Presidential candidates was taken from the total amount of Government spending for all other purposes. Or, to put it in the simplest terms, what we are doing is, we are, to the extent that people have checked off that box, supplying funds. And those funds, were it not for the checkoff, were it not for taxpayer financing, would still be coming into the Treasury, and would be available for other purposes.

Mr. McCONNELL. As a matter of fact, about $500 million has been diverted from other Government programs over the life of the public fund-

ing of Presidential systems into Presidential campaigns.

Mr. WILSON. How much again?

Mr. McCONNELL. I believe the figure is $500 million.

Mr. WILSON. One hundred million dollars. If that is close to being accurate, what we are saying is that we have paid half a billion dollars over the life of this program for the purpose of financing campaigns that used to be financed as are all others, by individual contributions. Well, it seems to me that that is a very high price to pay.

What we are now about to consider is the legislation which proposes to extend that to all Members of the Senate. I might say that I find that is a tempting proposition in one respect. It would make my life as a candidate infinitely easier. I would not have to spend the time, energy, nor the effort that I do, and that we all do, to raise campaign funds in order to take to the voters, when I seek reelection, a message of which I am proud but I do not delude myself that they are intimately familiar with every detail of that record.

So instead, what is being proposed now is that I be relieved of that burden, that instead of having fundraising events, that I be permitted simply to be supplied by the taxpayers with the costs of my campaign. I must say that it is tempting for any of us who have spent those long hours in fundraising efforts. But I have to say, as well, that the announced purpose of that, which is to not relieve my burden, but to provide assurance to voters that my decisions thereafter will be free of any influence of special-interest donors, it seems to me that in both those cases, my convenience as a candidate is not an urgent public priority.

Mr. McCONNELL. Will the Senator yield for a further observation?

Mr. WILSON. It would certainly make my life easier, but when I think of one-half billion dollars over the life of this program that could have been spent to deal with the war on drugs, could have specifically been focused upon trying to provide the kind of outreach and treatment education that would prevent young women from abusing drugs during their pregnancy, so we would not perhaps now face what we are facing as a Nation, which is an epidemic of newly addicted babies, addicted newborns; when I look at that, and all of the other things which are legitimate demands for funding, not decisions between good and evil, but competing goods, I really have to say that I do not think that my convenience, or even the announced purpose of eliminating special interest influence is the kind of priority that should have first claim upon our dollars.

Mr. McCONNELL. Will the Senator yield for an observation?

Mr. WILSON. I am happy to yield to my friend.

Mr. McCONNELL. I am sure that the proponents of this measure will say that what we have done in order to diminish the taxpayer exposure here is that they have taken the proposal under which previously 70 percent of the general election spending limit came from the Treasury, and they have moved that up into what I call the punishment pool, and they will say that we have diminished the impact on the taxpayers by creating a situation under which it is extremely unlikely that, other than the broadcast vouchers, that public money would be used because we have it up here above the line.

I say to my friend what they have done is make the bill unconstitutional there, and they have created a system that is unlike the Presidential system in the follow respects. The Presidential system is truly voluntary.

We had one candidate who had the courage to try to run his own campaign, raise his own money, without dipping into the Treasury. That was John Connally. It did not work very well. When he did that, nothing happened. None of his opponents got a subsidy from anybody. He did not get punished. Nothing happened. He just did not get any public money.

Alas, what happens in this measure is that if you exercise your first amendment right to get as much support as you can and you go above the arbitrary spending limit, your opponent gets a heavy public subsidy, and you are punished in effect for exercising what the Supreme Court said in Buckley versus Valeo was the first amendment freedom of speech. That, you see, in order to diminish the taxpayer impact they put in the punishment fund, and they made it blatantly unconstitutional.

There is still public money in this bill, the 20-percent broadcast voucher. I suspect there may even be some courageous souls out there, even under this measure, if it withstood the inevitable constitutional challenge, if it passed somehow over the President's veto, who would say, you are not going to tell me how much support I can get, I am going to get as much support from limited and fully disclosable sources as I can, and try to win in spite of the public subsidy against them.

That is what we have before us, a measure that still has public funding, but that is blatantly unconstitutional and different from the Presidential system in the sense that the money is up in the punishment pool.

I thank my friend from California.

Mr. BOREN. Mr. President, will the Senator from California yield?

Mr. WILSON. I will be glad to yield.

Mr. BOREN. I want to ask the Senator, in listening to the discussion, he talked about half a billion dollars. I do not know if the Senator is aware, but CBO has done an analysis of what they think the estimated cost of this standby authority is, and I would call it a "reward pool" as opposed to "punishment," as the Senator from Kentucky calls it. They estimated the cost would be $29 million in 1991, $30 million by 1992, and $35 million in 1994.

As I heard the Senator from California discuss it, I believe that the figures he was citing—and I am not sure those would be accurate, even in that case—were the figures in the original version, before we modified S. 137. That would have provided 60, 70 percent, at the time that the candidate agreed to accept the voluntary spending limit, that would have provided for approximately 70 percent of the value of the spending limit to be then awarded out of the checkoff fund to the candidate. That has been withdrawn.

Mr. WILSON. To my friend from Oklahoma, I say that the figures I used were the figures I heard the Senator from Kentucky use with reference to the cost-to-date of public financing or taxpayer financing in Presidential campaigns.

Mr. BOREN. Does the Senator understand that we have pulled out of the bill, because of concern on that side of the aisle about public financing, in fact, any automatic cash grants? The only things left are television vouchers, which, if utilized by all candidates would run in the neighborhood of a maximum of $20 million per candidate. That would be the maximum that could be used.

If no candidate broke the spending barrier, through these positive inducements—and it would be our hope to encourage them not to break the spending barrier, including those breaking the barrier—would have to run that "this candidate does not accept spending limits," for example.

In California, there is still a lot of private fundraising, and this would not be money paid out of the public treasury. You would be able to raise $5.5 million per candidate in California. That is a lot less than the historic average. If both candidates agreed to divide the $5.5 million spending limit in the State of California, which is provided under this bill, there would be no cash payments at all out the Treasury, under the way we have worded this bill.

I understand what the Senator is saying. It comes as no surprise to those on this side of the aisle to know, and it would not come as a surprise to the Senator to know that this Senator has never been particularly enthusiastic about large amounts of cash funding from the public treasury for election. That probably would not surprise

the Senator from California. We have taken that out of this bill.

Mr. WILSON. That sets my friend apart from his colleagues, who demonstrated repeatedly publicly, vocally, almost unbridled enthusiasm for taxpayer support of those costs. I commend him for being independent of that mentality.

Let me ask this question, though.

Mr. BOREN. Mr. President, I want to make sure the Senator from California does understand there is no automatic cash financing; that the only thing automatic under this provision as now written is what those Senators who accept the voluntary spending limit would be entitled.

Let us assume that every Senator accepted the voluntary spending limit. If that happened in all the races in the country—and let us hope they would because it would seem to me—and I am sure the Senator from California undertaking this effort right now, back-to-back effort, after a race for the Senate and now for Governor would agree with the burdens of this. If there is a $5.5 million limit and then the maximum that you would qualify for all the candidates in the country would be lower rates which the Senator from Kentucky has not suggested be removed from the bill and a 20 percent television voucher which was originally the proposal of the Senator from Missouri [Mr. DANFORTH] which was the reason that was put in the bill as an effort again to show our concern and consideration for the idea and ideals, I might say, coming from the other side of the aisle. That would be a maximum.

So on a national basis, if everyone accepted the spending limit, the $20 million value of television vouchers, 20 percent of the limit taking the limit from all States that is what it comes up to. I want the Senator from California to understand as we now have changed the bill.

Mr. WILSON. I thank my friend from Oklahoma.

I say two things. I do understand there have been changes, and overall the thrust of the Democratic bill is to impose limits upon spending. I will tell him frankly that I have some difficulty with that because a casual look at some of the limits suggests to me that it may be a great incumbent's protection device, although perhaps not intended as such, but we can deal with that when we move to a discussion of the limits.

But could my friend from Oklahoma clear up one point for me? And that has to do with the application of the provisions of his bill to the House of Representatives. As I understand what he has been describing to me, it covers Senate campaigns but not those of the House; is that true?

Mr. BOREN. I say to my colleagues that is exactly true, under the theory that the bill must go through both Houses, and as we have in the past, neither House has attempted to write rules as they apply to the other body. It is my hope, obviously, that the other body would not only agree to pass a bill along these lines but the other body would also agree to apply similar kinds of rules that we are here applying. We have done some things with the modifications.

Again, I say to my colleagues that I think we have gone a long way toward meeting the concerns of those on the other side of the aisle in addition to removing the cash public financing out of the bill and greatly reducing any costs. We have also adopted the language identically which again it would not surprise the Senator from California, going back to my own personal cosponsorship of this kind of proposal with Senator Goldwater over several years ago, that there be a total ban on political action committees as strongly suggested on that side of the aisle and the President has indicated that is a strong matter with him.

So we have taken both of these actions and, hopefully, narrowed the gap between the views on both sides of the aisle on this legislation.

Mr. McCONNELL. Mr. President, will the Senator from California yield?

Mr. WILSON. I am delighted to yield.

Mr. McCONNELL. I have a further observation about this point.

Broadcast vouchers are money, cash which will come from the Treasury. The communication vouchers and the proposal that we are seeking to amend represent 20 percent of the general election arbitrary limit that is in the Democratic proposal. Our analysis shows that that is a little over $21 million for Senate races. Obviously, this would be applied to the House. It is $104 million for the House. So that is a certainty, a lead pipe cinch. We do not know how much people have the courage to go on and exercise the first amendment rights under Buckley versus Valeo and see how much support he can get from a whole lot of contributors who are limited and fully disclosed. We do not know how many people have that courage, but I assume some would.

Of course, you are going to have to fund presumably some candidates like Lenora Fulani, we assume, and Lyndon LaRouche and others, but there is a definite certain $21 million expenditure of the Senate and $104 million expenditure for the House.

Mr. WILSON. My friend from Kentucky makes the point that I had inferred from the answer made by my dear friend from Oklahoma when he said that this bill does not apply to the House but he hopes that the House, and in a spirit of comity and kindred passion for reform, will embrace a similar device and impose the same restraints upon themselves with presumably the same provision for their needs in the form of broadcast vouchers. That is why, when I heard the figure of $29 million, it seemed to me that if that is what it is projected to cost on a first-time basis in the Senate, what we ought to be telling the taxpayers who are going to have to pay for it or at least suffer from the loss of those same resources allocated where they would do a great deal more good is this: It is not going to cost $29 million; conservatively, it could probably cost five times that amount assuming that the House does embrace, as the Senator from Oklahoma hopes, a similiar kind of regiment.

Personally, I doubt they would. But that, it seems to me, leaves us then in a position where we have good news; the good news is they are not going to be spending all that taxpayer money; the bad news is under the Senator's view of reform there will be no reform in the House. I think that we need to be very much concerned as we draft this legislation that its provisions can apply equitably, workably, and reasonably to both Houses; that is, I conceive a tall order given the history of the House of Representatives in responding, as they have, to Senate initiatives to curb the abuse of the frank and Senate reforms of other kinds.

Of course, they take deep umbrage at such suggestions. That is not new, either. But I think that what is being proposed here, I think, very candidly, necessarily understates what is likely to be the cost if my friend from Oklahoma succeeds as he sincerely hopes he will. I am not sure at this point that I can sincerely hope that he will because the thrust of his legislation really depending upon success in imposing limits, limits of a kind that I think will prove in many, many States to be so restrictive that in fact they virtually guaranteee an incumbent's reelection by making it impossible for a challenger to effectively bring a challenge, given the realities of a need for dollars to obtain media time, to pay for mailings, to do the kinds of things that are necessary to a campaign.

Mr. President, I yield the floor at this time.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Oklahoma.

Mr. BOREN. I thank my colleague from California.

As I have said in the very beginning of the discussion of this bill, we are undertaking a procedure here under which all amendments on both sides of the aisle will be in order and which, hopefully, we can have a real dialog. I think our purpose must be to try to enact real campaign reform.

As I said at the outset, my purpose here is not to score political points,

partisan points, or debating points, but a proposal that hopefully we can craft this discussion in a way we can put our heads together and do what the Senate should do and that is collectively come forth with the best proposal to bring about real campaign reform for the country because those on both sides of the aisle have now agreed, the leaders on both sides have agreed, there is something badly wrong with the current system of campaign financing.

The first thing I would like to say to my friend from California—and I hope he will consider the point which I am making on limits because he, indeed, is my friend and I have great respect for him and great affection for him—we do have a point of disagreement.

I do not think that limits, per se, and I really think that those on the other side of the aisle will think about this long and hard because I know it has become almost a cataclysmic thing to say that limits somehow choke off challengers. I think it is true if you set the limits too low we understand that incumbents have a great advantage of being well known. They are seen on the nightly news. They use the franking privilege.

My good friend from California and I have been cosponsors together on a number of occasions, along with my colleague from Oklahoma, who is on the floor trying to reduce the unfair use of the frank in mass mailings. We have attempted to do this several times together. And incumbents do have certain advantages in which they can become well known. Therefore, we set a limit too low so that a challenger does not have access to the media, to get across what he or she wants to say to get known by the public. This can certainly be a disadvantage. This can be a disadvantage to a challenger. But if the limits are high enough for the challenger to become known—and I am convinced that that is very much to the advantage of a challenger and the reason for that is that incumbents, and we had the statistics shown this morning, a case-by-case study, that in the last 55 contested elections for the U.S. Senate the incumbent has significantly outspent the challenger in 51 out of 55 cases.

In fact, in the last election cycle incumbents were able to raise $2.05 for every dollar challengers were able to raise, and that is without regard to party.

And so it seems to me—and this has always puzzled me—if you want to change the system in a way to help challengers, one of the things, you want to do is put in place a limit, not a limit that is too low, but a sufficient limit where challengers can get their chances, but not so high where the incumbent can come in and overwhelm them by a better ability to raise money.

So I think if you want to think about changing what has been sometimes called the permanent majority status on my side of the aisle, especially in the House of Representatives, that there should be a need to have some kind of spending limits so that there is an opportunity for challengers to have an equal chance.

I would say to my friend from California, my friend from the other side of the aisle, and I said this from the beginning, there is nothing magic about the provision in our bill. As far as we are concerned, it is not engraved into stone that spending limits will be at a certain level in a certain State. This is something we are willing to talk about to make sure challengers do have a chance.

But we do feel there should be some outer limit, that there should not be a stratosphere, that there should be some final limit so we get the spending cycles at sort of the arms-length range if we want to get it under control at some time.

So this is something we sincerely hope will be considered. We are willing to talk about what the level should be, but we do feel there should be some outer limit at some point.

Let me give a little history—and I will try not to take too long—as to why this provision on vouchers for television time was put into the bill. Some time ago the distinguished Senator from Missouri, Senator DANFORTH, made a very effective speech on the floor, followed up by comments publicly and a press conference, on this subject saying he was very concerned about the nature of campaigns.

Those of us who have gone through campaigns in recent years you think would understand what was being said. My colleagues on the floor right now have all been subject at one time or another to negative attacks by opponents on the other side.

I think the American people are turned off not only by the flood of money that has gone from $600,000 on the average to win a Senate seat since I have been in the Senate, to $4 million on the average to win a Senate seat—that was what was spent in 1988. Not only are they concerned about all the money spent but what is the money spent for: 30-second spots, mainly with actors on these spots used to attack the opposition, used for the purpose of character assassination, not for the purpose of discussing in depth the great issues of today, nor really going into how could we balance the budget or how should we change our budgetary priority in a changing world in which the power relationships of all countries have changed; but 30 seconds to watch some actor get on and say what a scoundrel your opponent is.

I do not think the American people like that. They do not want people to run on the demerits of their opponents. They want to know what we are for. They hunger for a real discussion of the issues. No wonder only 37 percent went to the polls with this kind of negative, awash with special interest, money paying for it.

That is why the Senator from Missouri said let us not only try to do something to choke out the money chase, let us not only try to do something about the special interests—and we are not united on both sides of the aisle—and it does my heart good to see us united on the question of PAC's; We have identical provisions—but he said we ought to try to do something else. And this is tough to do. But he said let us try to elevate the level of compaigning in this country so that we really talk about issues to the people, so we do not just engage in negative campaigns, negative spots, and character assassination. So he suggested we offer some vouchers, vouchers for longer times instead of 30-second spots. They can only, I believe, in his original proposal, be used for 5-minute spots.

He also suggested that the candidate should have to come on at the end of that ad and say, "I authorized this ad and my committee paid for it." So if you had a spot or an ad and actors are on the air saying you know my opponent is a scoundrel and saying all sorts of things and twisting and distorting a voting record, talking about his family and personal habits, if you wanted to do that, you could hide behind some actors, but you would have to come on and say "Yes, I, Senator X, authorized this ad and my committee paid for it." You would have to assume responsibility for it.

Judging by the low nature of some campaign advertising, I imagine there are a lot of situations in which candidates would not be very proud to claim credit for those ads.

So Senator DANFORTH said we ought to try to elevate the campaign. And that was his suggestion. I believe his was only for a 5-minute time. I heard his proposal. I must say that I thought it was an intriguing proposal and I have done my best to sell that proposal to Senators on this side of the aisle because of my respect for him.

This is not purely in the form he suggested it, but it does have both the concept of a longer time period than 30 seconds and it also has the concept that the person running the ad should have to assume responsibility, come on at the end of the ad and assume responsibility for it.

I am willing to change the way we have it in here. I am willing to work with the Senator from Missouri to refine his proposal. But I want those on the other side of the aisle to understand that this was not put in at the insistence of the Democratic Caucus. this was put into our bill as a good-

faith effort on my part to extend my hand to the Senator from Missouri and to indicate to all of those on the other side of the aisle that when good, constructive ideas are brought forward, we are willing to look at them on our side of the aisle and try to include those suggestions in our legislation.

So that is the history of it. It does have some cost, there is no doubt about it. I guess you have to decide. We have citizens concerned about the millions of dollars of money that are being pumped into campaigns. We have newspaper article after newspaper article about Mr. So and So, whether it is Mr. Keating or somebody else, has raised so many hundreds of thousands of dollars or millions of dollars into the political process. The public is concerned about that. The public wonders if the Senate is for sale.

Well, I do not know. Is it worth the cost? Is it worth $20 million to try to elevate the discussion of public campaigns so that the people have some understanding of what the candidates are really for in terms of the issues, candidates that are going to have to come here and appropriate money under a trillion-dollar budget a year and make fundamental decisions for them? That is something we have to decide.

I happen to think the Senator from Missouri had a good proposal and that is the reason I wanted to include it.

Now, as to the other aspect of the amendment, the provision for standby enforcement, let me say first of all I do not know if the Senator from Kentucky—I assume he does not include doing away with the current checkoff system for Presidential elections. I assume this only applies to the bill. It does not attempt to remove the checkoff.

Mr. McCONNELL. It only applies to the current bill.

Mr. BOREN. It would not apply to the Presidential system. We do have the Presidential system. I just list this again, because there are Democratic candidates who have accepted funds from this checkoff as well as Republican candidates. The Senator from Kentucky talked about those. He said some have had the courage not to accept. Well, those who have accepted it, Senator DOLE, our distinguished Republican leader accepted $8.1 million in so-called public financing out of the checkoff system; President Reagan, $20.5 million; President Bush, $14.1 million; Jack Kemp, $5.9 million; Gerald Ford, $4.5 million; the former Republican leader, my good friend, Howard Baker, $2.5 million; Pat Robertson, unsuccessful candidate on the Republican side for the Presidency, $10.4 million.

Now I do not think there is anything evil about this. I just point out that these candidates did choose to follow the system and that there is not an effort to do away with that system. I think one of the reasons why the checkoff system has fallen into some disrepair, although the latest polls indicate—I looked at the Greenberg-Lake poll, which indicates that 59 percent of the American people continue to favor some form of a voluntary checkoff.

I think one of the reasons why you have seen fewer and fewer people participating in the checkoff system is that they have wondered what in the world has happened.

The Senator from Kentucky has been one of the most effective people in pointing this out. We have a Presidential election system that is now supposed to be free of all taint. We are supposed to have a checkoff system in which that is the only money the candidates get. Once they are nominated, they are not supposed to have to raise any more money. It is not lawful for them as individual candidates to accept any more money.

The American people said we want this cleaned up. What happened? People figured out a way around it, so-called soft money, and we have had the $100,000 clubs in both parties. We mentioned that earlier this afternoon, 249 gave $100,000 or more in the last Presidential campaign on the Republican side and probably an equal number on the Democratic side. And what do they do? They funneled it into the State party committees and they are proud to say, we had "Team America"—I have forgotten the various names of these committees which raised $100,000 at a whack where they thought we were out of that business after Watergate. They poured it in because there was this loophole that allowed you to pour it in, but not to affect party elections.

Let me say on both sides we are committed to doing something about it. We ought to clean it up. It is a disgrace. But if there is any reason why that system has fallen into some disrepute and why taxpayers are wondering why should we check off money if they are out raising $100,000 a whack from individual people, I think that is the reason.

So, I would say all we are doing here in addition to the television vouchers, which was an effort on our part to reach out to the other side of the aisle, is providing some standby mechanism. My hope is that finally candidates, all of us, would see what we are doing to this institution by putting ourselves in a position of having to raise more and more and more money in more and more places where we do not know the people very well, from people we really do not know very well, to finance our campaigns.

And the perception we know we give to the American people is that we are allowing people, because they have financial means, to get a foot in the door to have access to us. I hope we realize what we are doing. If we did voluntarily accept the spending limits in this bill—as I say, these spending limits are subject to discussion if we have set them at the wrong level—but if we did voluntarily accept spending limits, there would not be one penny of public funds that would come out of this particular checkoff fund that we are setting up.

Not one penny of inducement money or enforcement money would come out. That would only happen if one of the candidates broke the spending barrier. It would be the responsibility of that candidate who said "I do not want to compete upon ideas; I do not want to compete on the basis of qualifications. I want to compete on the basis of raising more money than my opponent."

If they wanted to make that position and openly say to the people in their State "I do not want to compete on a level playing field; I want to try to buy the election," then, yes; there would be money triggered. But it would be their fault.

I happen to believe the bill as drawn would give enough strong inducements for people to accept the spending limits. I do not really believe we would ever see a penny spent. I believe the $29 million estimate from CBO, which I assume is based on the idea that some candidates would break the spending barrier, is an overly high estimate.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. Mr. President, I wish to compliment by colleague, Senator BOREN, for his tenacity on this issue. He has worked long and hard. I do not agree with his final product that we have before us today. It is 107 pages. I have not had a chance to totally analyze it, but I have looked at a few of the major provisions, and I will talk about those briefly.

I would also like to compliment my colleague and friend, Senator McCONNELL from Kentucky. He has done an outstanding job on this bill. He has analyzed it and worked on it probably as hard as anyone. I listened to many of the comments he made earlier today, and I think he was right on target on many, many provisions, both on the shortfalls of the substitutes and also on what needs to be done to improve campaigns and campaign finance reform.

My guess is, if we ask every Member of this body, and probably the other body, the House of Representatives as well, are you in favor of campaign reform, almost everyone would say yes. The problem or the disagreement is in what constitutes reform.

The Republicans have had a package for some time. It did ban all PAC contributions. Now, As I understand it, the proposal submitted by my friend, Senator BOREN, also bans PAC's. I compliment them for that. That is a big move from where they were earlier last week. So, to my colleague from Oklahoma, I compliment them for that move.

I removed the original bill, the Boren-Goldwater bill, that I think either banned PAC's or reduced them down to $1,000, I am not sure which. I thought that was a big step in the right direction. I told my colleague that at that time. Since then, the Democratic position was different. It was going to leave PAC's where they could contribute $5,000. I am glad they have gone to the position that Republicans have had for some time now. I say Republicans; not every Republican. I think we need to make that known as well.

But basically we have introduced a bill that is supported by a strong majority of Republicans that would ban PAC's, and if that was found unconstitutional, reduce PAC's down to $1,000 from $5,000. That is the same limitation for individuals. PAC's, as everyone is well aware of, support incumbents. So we would be reducing one of the big incumbent advantages. So I compliment my friends on the Demcratic side who have now supported the Republican side's position on PAC's.

Other major provisions deal with spending limits and also deal with public financing. As my friend from Oklahoma knows, I have been adamantly opposed to public financing, so I wish to be made a cosponsor of the McConnell amendment which is now pending to strip out all the public financing provisions of the bill. I think it is vitally important to do so.

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

Mr. NICKLES. If we do not change it, if we are not successful in gaining agreement to the McConnell amendment—and I am glad it is the first amendment up because I think if we do not pass it, we are wasting our time—frankly, if we do not take out the idea of public financing of campaigns, I do not think the President is going to support the bill. I have heard my colleagues say we have taken out public financing except for the compliance or the carrot. I have a hard time seeing how public financing is taken out of a bill if it is still in the bill. If taxpayers' moneys can be used to finance campaigns, it is still in the bill. We need to adopt Senator MCCONNELL's amendment.

Spending limits is the third major point of contention of the bill—and there are others, I am sure—but I have heard people say they are voluntary. I question that. You might find yourself in a situation where you really do not want to comply, but yet if your opponent is going to receive millions of dollars of taxpayers' money to assist him in his race, that is like having a gun at your head. So it is not voluntary. We do not have a voluntary system if we still have public financing in this bill. So I think we need to adopt Senator MCCONNELL's amendment.

I can also mention several reasons why I think spending limits are wrong. I do not know why we would want to pass a bill that says to a participant or constituent in one State that they cannot contribute money to their Senator. In my State of Oklahoma, if I reach the limit, the so-called election cycle limit, I think it would be $1.8 million, and I want to spend another dollar—let us say I figured it was going to cost $2.8 million; I think that is what my last race cost. So I said, no, I am not going to mess with the public financing; I am not going to participate in this voluntary system. Well, then my opponent would receive $1.1 million of taxpayers' money. I do not think that is right, and I really do not think taxpayers are lining up across the country saying they want to subsidize or finance U.S. Senate races. As a matter of fact, my guess is we would find a strong majority would vigorously oppose it.

Then we would find the checkoff was not raising enough money. Then what are we going to do in financing these camapigns? Not only that, but to go a little bit further, my colleague's bill does not really address soft money. It addresses soft money and limitations on party soft money, but it does not limit soft money. If I am looking at the bill correctly, it does not really limit soft money from organized labor or from some others. They could put in a lot of money. It would not be reported; it would not be disclosed.

I think most people in this body are well aware of the fact that organized labor supports a strong majority of Democrats. I think 90-some-odd percent of their money goes to Democrats. So they would have a lot of soft money being used to advance the cause of Democratic candidates, and a Republican might find himself saying, "Wait a minute. I have a spending limit. My opponent maybe has the same spending limit, but he is getting a lot of assistance in so-called soft money that is not even reported. So I am at a disadvantage."

If they are at that kind of disadvantage, well, is that fair? Is that equal? I would not think so.

Mr. BOREN. Will the Senator yield for a moment on that?

Mr. NICKLES. I will be happy to yield.

Mr. BOREN. Is the Senator aware in our bill we do state neither labor unions nor corporations could make contributions in soft money to State party committees, for example, for the purposes of influencing the outcome of a Federal election?

So if it is during an election cycle where there are Federal candidates, neither labor unions nor corporations could make those contributions; and, as to other people, we do provide a limitation of I believe it is $20,000 to the national committees, and then a limitation of $5,000 to a State committee, as to what can be given.

So, in other words, we make soft money into hard money and we then very strictly limit the amount of contributions that can be given.

Mr. NICKLES. Two things. I have been reading the Senator's bill. I would like to learn more about what he has. But I do not see a restriction—let me give an example. Let us say you have organized labor and they decide to contact all their members, all their families, all their retirees; anybody connected, ever connected. You are talking about thousands and thousands of people that they might get very aggressive with and say we want you to campaign and contact everybody that you know in your church or organization, your city, your town, your precinct.

In other words, you could have a very, very significant soft money effort made on behalf of a candidate that would not be reported.

I may be wrong, but I know that can be done to some extent. If you violate that too much, you are certainly going to have an infringement on the first amendment.

You just have a very, very difficult time limiting groups contacting their members, their associations, their organizations. I am not even sure the Senator would want to do that.

Mr. BOREN. If the Senator will yield again, I understand what he is saying. In terms of direct contributions, I want to make it clear that regarding other groups, like party committees, we do cut them off.

Mr. NICKLES. I understand that.

Mr. BOREN. In terms of internal communications, as the Senator just said, whether it is a corporation, let us say, contacting their shareholders or employees, whether it is a member of a labor union, contacting their members, you do have obvious constitutional problems in terms of shutting off their right to do that.

I think we are perfectly willing to sit down and discuss with the other side of the aisle, with my colleague and others, to see if we can find some workable way, on an evenhanded basis with both business and labor, to make sure we try to disclose as much as we possibly can. There is certainly a willingness to discuss that. I understand what the Senator is saying, and I want to signal there is a willingness on this side of the aisle as to how we can best

do it within the constitutional confines we are operating under.

Mr. NICKLES. Correct me if I am wrong. There is no limitation on organizations in their internal efforts, not through other parties, not through soft-money contributions to other political parties, but no limitations on soft money, say, for organized labor or corporations, or whoever, from getting involved in the campaigns. Some of these groups have a lot of money and they have a lot of members.

What I am saying is, this falls outside the limitations in the Senator's bill, as I read his bill. Correct me if I am wrong. So the point I am making is that, yes, my colleague has the spending limitations that equal some $1-odd million for an average size State, and yet he has a lot of organizations—I am going to say primarily organized labor is very intent and very interested in legislative outcome. So they get involved. So they have a lot of their people show up at the headquarters to work. They may say, "We want lots of our people who are members of XYZ union," or maybe it is a corporation or shareholders, but they are not going to be quite as organized in most corporations. But one can have an enormous turnout of volunteers, an enormous turnout of workers who would be doing a lot of soft-money type operation, all internal, all contacting other members. In other words, one can have a totally separate campaign organization that does not show up under the spending limits, it is not disclosed, it is not reported, and yet, in the case of organized labor, it is all going to go to the benefit of the Democratic Party.

I read my colleague's sections that had lots of limitations on soft money dealing with parties but no limitations dealing with organized labor in their direct communications and efforts, no limitations as far as other groups. Lots of groups are big; it is not just organized labor. We might have the prolife committee or we might have the abortion-rights committee or the AARP, or we might have the gun owners groups. We can have a very aggressive group of gun owners who get involved in campaigns that decide they want to contact every single household in the State of California and give their expression that a Congressman or Senator is totally wrong on the issue or totally right on the issue.

I am not saying I really want to restrict their opportunity to do so, but if I were a candidate and I found out that one group or another was distributing leaflets to every household in my State that said I was of this particular persuasion on an issue, like abortion or on church rights or maybe it is on union issues or whatever it is, I would like to have the opportunity to be able to correspond and respond in kind. It may well be that, wait a minute, my opponent has groups such as this who are working more or less in his behalf but not quite an independent expenditure because it is not filed, it will not be filed because, again, most all soft money is not disclosed; it is not reported. So I find this to be a glaring loophole that would be very much to the advantage of the Democratic Party and very much to the disadvantage of the Republican Party.

Mr. BOREN. Will the Senator yield?

Mr. NICKLES. I have several other comments I want to make in running through the bill, and then I will be happy to discuss with my colleague from Oklahoma other provisions of the bill.

We want some equity. We want some balance. But the main thing that is wrong with the idea of spending limits is to say it is against the law for somebody in my State of Oklahoma to say, "Wait a minute, I want to contribute to your campaign," and I have to say, "No, you cannot do it; it is against the law for you to participate in my campaign because I have reached my limit, financially." Maybe they would like to physically, but they do not have the time or they may not have the physical capabilities to do so. But you are saying it is against the law for them to contribute. If maybe they want to contribute to somebody's campaign in California, it is against the law because they are already at their limit. I think that would be a mistake.

My colleague from Oklahoma talked about the Presidential campaigns. Yes, they have a checkoff and public financing. I will tell my colleagues, it has been a disaster. I am not up here saying let us repeal it. I will say, it has been abused. The whole idea of purportedly coming up with the Election Reform Act of 1974 was to clean up so we would not have $100,000 suit cases. We had some in the Watergate era. Now we find, hey, both sides.

I heard my colleagues from Oklahoma talk about Republicans in the team 100. They had just as many on the Democratic side and they all contributed $100,000 to the Democratic Party. So both parties evaded those limits and then the soft-money exemptions as well.

Public financing, again, as I have stated time and time again on this floor, is a nonstarter. What do we have in this bill? We have public financing. If a person decides not to comply, if I decided not to comply in Oklahoma—and the last time I spent about $2 million and, incidentally, I raised a strong majority of that in the State of Oklahoma—my opponent would get $1.2 or $3 million right off the bat. I do not think taxpayers should pay that.

My opponent also is going to get 20 percent; he is going to get vouchers. He is going to get another couple hundred thousand dollars in TV vouchers. "Congratulations. You are running for the U.S. Senate. Here is your TV card." We are going to give TV credit cards if you happen to run for the U.S. Senate. Paid for by whom? The taxpayers. Most taxpayers, by the time the election rolls around, are sick, and tired of seeing TV commercials with politicians on them. I doubt they want to pay for it, and I doubt they want to pay for them to the tune of—my friend from Kentucky said $21 million a year for the Senate alone; $21 million per cycle for Senate races alone. Wow.

Then let me just touch on one other glaring exception that is not in this bill. I hope to have an amendment that is being drafted by legislative counsel and hope to have it soon, that deals with franking. One of the biggest incumbent advantages we have that is certainly abused in many cases is the use of the frank. My colleague, Senator WILSON, from California, has worked hard, as I have and others, and I will compliment Senator BOREN as well because he has joined us in this effort to limit the use of the frank.

The frank is being abused in election years. As a matter of fact, Congress usually mails about 50 percent more in election years than we do in nonelection years. Now we have the situation where we have people who are running for reelection going around and borrowing unused funds from other Senators so they can go out and mail more. We want to get more mail out; we want to get it out soon so we can tell our constituents how great we are doing in an election year. This is happening time and time again. This needs to be stopped.

I have an amendment, Mr. President, that will do just that. It will prohibit the use of unsolicited mass mailings in an election year. We will just stop it. I hope that it will be agreed to. It will also put in a provision that will prohibit for this year, the borrowing of unused mail from other Members for a particular Member who is in an election for that year.

I think those are a couple of changes that really do need to be made. If they are not made, I do not know that we can really say that we have had really successful election reform. We need to make these changes. If we take PAC money out of the system, if we take the soft money out of the system—and we will come up with an amendment that will do just that—if we take soft money out, either to limit the soft money or certainly to disclose it, so we at least can restore some balance, if we have an amendment that would eliminate the so-called spending limits with this public financing provision, then I think we can come up with a good bill, a bill that can and would be signed by the President.

I do not know that it gains anybody any mileage whatsoever for us to

stand on the floor of the Senate and debate for days on end when we know we are going to come up—if the majority in this case insist on public financing, if it insists on spending limitations—I am not sure. I think we are wasting our time.

I hope that we would not do that. We have a lot of pressing business to do, to say the least.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the gentleman from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, there are few things more important that the Senate will undertake during the 101st Congress than this effort to reform our system of campaign finances.

I would like to state my strong support for a variety of reform proposals that will come to the floor as amendments to the underlying amendment offered by Senator BOREN and others, amendment 2432. I shall offer at least two amendments myself—one limiting out-of-State contributions; another dealing with millionaire candidates.

Many of the amendments the Senate will consider are taken from provisions in the Comprehensive Campaign Finance Reform Act of 1990, introduced as S. 2595 by the distinguished Senator from Kentucky [Mr. MCCONNELL], the distinguished Republican leader [Mr. DOLE], and others, including myself.

S. 2595 was progressive legislation. It was a bill that offered true reform, not partisan reform. It was legislation that made it tough on Republican candidates and Democratic candidates alike.

Key to S. 2595 were provisions totally outlawing political action committees [PAC's] and nonparty "soft money."

I support both prohibitions.

Both prohibitions were incorporated within legislation I sponsored earlier this year, S. 2265. Eliminating PAC's and soft money are critical if we are to have true campaign reform.

Without such prohibitions, I see no way to pass a reform bill that is fair—one that the President will sign.

I am pleased that amendment No. 2432 appears to accept the need that this Senator, as well as others on this side of the aisle, have stressed for so long—the need to eliminate PAC's.

Amendment No. 2432—supported by many so-called experts inside the Washington Beltway—is based on the assumption that all we need do to obtain reform is place arbitrary spending limits on campaigns, then provide American tax dollars to finance our campaigns.

Further, amendment No. 2432 would make us more beholden, relatively, to soft money, spending that the New York Times called sewer money.

With all that said, and recognizing the desire of some to use campaign reform for strictly partisan advantage, let me describe several of the very basic changes I support enthusiastically, ones we must adopt on the Senate floor.

First, the elimination of PAC's.

When the American people are asked about campaign financing, they state their strongest concerns over the role of PAC's

My position is to eliminate PAC's. When an individual wants to give to a campaign, that individual should give directly to a candidate, not use a high-powered intermediary.

Fortunately, amendment No. 2432 accepts this control.

Second—and this is terribly important—we must eliminate soft money.

Soft money is contributions for voter registration drives and other forms of spending designed to assist one party or one candidate. This is spending now outside the system—unreported and unregulated.

Soft-money expenditures during the 1988 election cycle, according to some experts, exceeded $500 million—half a billion dollars. So a soft money prohibition could well be the most significant reform of all to reduce campaign spending.

Controlling soft money is certainly critical to my support for this bill or any bill.

Yet amendment No. 2432 does nothing about nonparty soft money.

Third, we must restrict the superwealthy from overloading a campaign with family money.

Several years ago, I suggested we impose such a restriction. I suggested it again during this Congress when I introduced S. 597.

As mentioned, I shall offer an amendment to make certain that amendment No. 2432 accomplishes that same thing.

If a super-rich candidate opens the family coffers—committing more than $250,000 to a campaign—the opponents should receive a fighting chance with a higher per person giving limit for their donors.

Amendment No. 2432 merely limits family spending when that money will be, at least in part, offset by taxpayer contributions.

Next, we should prohibit all franked mass mailings during any candidate's election year. Sadly, amendment No. 2432 does nothing to control franked mail, and actually permits the Senate candidate to send out huge campaign mailings with heavy postal subsidies.

We need to place restrictions on gerrymandering of House districts, which we all know has been a major factor in the near invincibility of House incumbents over recent years. Here, too, amendment No. 2432 does nothing.

The one area where legislation I support, S. 2595, fails to go as far as I would have liked, concerns the issue of individual contribution limits.

In my reform bill, S. 2295, I proposed prohibiting all out-of-State contributions to a candidate. Amendment No. 2432 contains no new restrictions on out-of-State donations, while the McConnell-Dole bill limited out-of-State contributions to $500 per giver.

The amendment I shall offer would limit out-of-State contributions to $250—25 percent of the in-State limits.

The approaches this Senator will support restrain campaign spending by limiting sharply the sources of available funds. What is critically important is that the amendments from this side of the aisle will limit campaign spending in a natural way, not using some arbitrary, federally imposed ceiling.

Nor will our approach use any tax dollars provided by the American people to underwrite our campaigns.

Before yielding the floor, Mr. President, I would like to describe for my colleagues exactly what amendment No. 2432 would do.

As we all know, the key to amendment No. 2432 is spending limits—limits that are said to be voluntary in order to fit within the requirements set by the Supreme Court. In reality, we all know these limits are mandatory with much of the spending to be financed from the pockets of the American taxpayer.

Let us look at how amendment No. 2432 works.

First, a candidate makes a choice and agrees to the voluntary spending limit when filing for the primary. What happens then? Let's examine the New Mexico limits for an example:

A candidate under amendment No. 1613 can raise and spend up to $635,000—67 percent of the New Mexico $950,000 general election limit—during the primary. This is spending over and above the general election limit, and would be money raised within all the existing limits such as $1,000 per donor anywhere in the Nation.

Assuming you become the party nominee, your official spending limit for the general election would be $950,000 plus any money you spent during the primary that might have a carryover impact on the general election.

Once you become your party's nominee, all you must raise for the general election is an entry fee of 10 percent of that general election limit of $950,000.

If you are running in New Mexico, you must raise that entry fee of $95,000 in contributions of $250 or less, with at least $47,500 coming from in-State. I should also point out that you can count $250 portions from con-

tributions received during the primary toward your entry fee.

With your $95,000 entry fee, you will be entitled to Federal vouchers for TV advertising time—1- to 5-minute ads only—equal to 20 percent of the general election limit, or $190,000. These vouchers would be good for up to 5 minutes on each TV station you would want to use during each of the 5 weeks prior to the election.

As an adherent to voluntary limits, you are also entitled to purchase cheap TV time at the lowest unit rate throughout the election period.

Special mailing rates for up to 5 percent of your general election spending limit, or $47,500 in New Mexico. Using today's mailing costs, you would spend that $47,500 at 6¼ cents to mail a first-class campaign letter and/or 4¼ cents to mail a third-class letter.

Using only first-class mail, your cheap mailing rates would allow you to mail 760,000 letters to voters in New Mexico—the figure would be about 1,000,000 third class letters.

This works out to an additional Federal taxpayer subsidy of about $150,000 for each Senate candidate in New Mexico.

So while your constituents are paying 25 cents to mail a first-class letter, a Senate candidate can flood his or her State with similar letters mailed at the cost of 6¼ cents each.

Should your opponent happen not to agree to the voluntary spending limits, you would receive additional funds once your opponent exceeded the spending limit. For example, you would receive a taxpayers' check for $633,334 once the opponent spent $1 above the $950,000 State limit. Then you receive another $316,667 if the opponent spends $316,667 more than $950,000 limit.

And there are other sources of taxpayers funds.

If an independent expenditure, such as a TV ad campaign, attacks you, you receive a like amount of Federal tax dollars to respond. This, of course, raises the interesting prospect where a sham independent ad campaign is put on the air to denounce "Senator DOMENICI for supporting Social Security," after which I would receive Federal tax dollars to pay for my response ads restating my strong support for Social Security.

In addition: You are permitted in New Mexico to raise and spend another $237,500—25 percent of the State's spending limit—over and above the $950,000 spending limit, if that money is raised only from in-State contributors, and raised in contributions of $100 or less.

And you are entitled to raise and spend yet another $142,500 or 15 percent of the New Mexico spending limit for a compliance and official expense fund to pay all the legal and accounting expenses on the campaign, of which I am certain there will be many.

Even more significant is what amendment 2432 fails to do.

Most significant, as I mentioned earlier, amendment 2432 fails totally to control nonparty soft money.

It has been estimated that labor unions, corporations, and various nonprofit organizations spent as much as $500 million during the 1988 election cycle in nonparty soft money on voter registration, get-out-the-vote campaigns, and the like.

That works out to an average of $100 million per State—over 10 times a Senate candidate's official spending limit in New Mexico.

Let me summarize the spending permitted in amendment 1613, using the New Mexico example: $635,000 in private contributions for your primary; $760,000 in private contributions; $190,000 in a Federal voucher for super-cheap TV ads; $150,000, the estimated value of the super-cheap postal rate subsidy; $237,500 in small, in-State contributions; and $142,500 in contributions to pay your lawyers and accountants working on the campaign.

But the opportunity for spending may not stop at $2.1 million. Your additional options—much of it from the pockets of the taxpayers—for campaign spending:

You may receive a Federal Treasury check for up to $950,000 should your opponent fail to stick to the spending limits.

The uncertain—but potentially very large—Federal checks you might receive if you become the object of an attack from an independent outsider.

The real value compared with today's costs of all that super-cheap TV ad time.

And the soft money you can arrange from unions, corporations, and tax-exempt organizations.

Frankly, that does not look much like real campaign spending limits or reform to me.

Mr. President, in a democracy how you run a campaign and how you seek participation from constituents in that very exciting and determinative activity called a campaign is very important. Some believe that we are here debating this issue because Republicans think they want to have the right to spend more money than Democrats.

Democrats contend that there ought to be some kind of statutory limitation on how much you can spend; that Congress ought to judge that and set some arbitrary number saying what is enough, a certain sum is all you should spend, in presenting your views—that we know best.

The Supreme Court came along some time back and said, hey, there are some very basic constitutional rights here.

So we are going through a contortion here on the floor to try to set some limits, and the limit on how much you can spend has been picked out, perhaps averaging out what campaigns have cost, and we are saying all this is voluntary.

What we are really saying is if you do not want to agree to these amounts, then we are going to fund your opponent's campaign.

Mr. President, I really do not believe, for all the concern in the country, that the issue is how much you spend in a campaign. I do not think that is the issue at all. I think the issue is where you get the money to run the campaign.

Another issue that I think is totally irrelevant runs something like this: We are all spending too much time raising money. We are walking around, kind of like skeletons, in a comatose state, because we work so hard at raising money.

Frankly, I do not believe that is the issue. Mr. President, if every U.S. Senator running for public office raised every single solitary cent of the money he or she was using in his or her campaign at home, from Mr. and Mrs. Jones, who lived in the neighborhood, when he was a city commissioner, or when he was a member of the legislature, or when he was Governor, no one would be complaining across this land if that particular Senator raised $5 million.

Frankly, I do not believe anyone could come here to the floor of the Senate and deny that statement.

If you had a limitation of $1,000 per person, which we have now imposed, which was not there 20 years ago, and we had something as simple and as basic as raising money to run your campaign from the people of your State, we would not even have those organized groups talking about campaign reform.

Mr. President, the last time this Senator ran for this office in a little State, New Mexico, a State of 1½ million people, I had 17,000, almost 18,000, individual New Mexicans contribute to my campaign, from $5 to $1,000; the largest number of contributors in the history of that State—2½ times the number of previous givers.

Now, what is wrong with that, if that happened to yield $2 million? I do not believe it did, but what is wrong with it if it did? Would there be anyone running around here saying there is something wrong, undue influence; who are those people? You spent too much time raising it. If I had spend time raising it, it was in my home State with the constituents that elected me.

Frankly, I think in trying to set limits as to what you can spend, we are on the wrong track. We ought to limit what kind of money we raised and where it comes from, and then let nature take its course. We ought to

say you can raise any amount of money in total from residents of your home State, so long as no one gives more than $1,000, if that is what you choose as the limit that might yield some kind of an inordinate, unreasonable influence.

I believe the number is too slow, but I buy it. Frankly, I put in a bill that I think was the best of anything we have, but I am supporting the efforts of the distinguished Senator from Kentucky and Senator DOLE and others. I put in a bill that very simply said no PAC's, no soft money, no sewer money, none. Not some, not maybe a little bit here but not there. None. And no money from residents outside of your State.

Some people said, why, that is grossly unfair. In fact, somebody said that is grossly unfair. What if we had another Thomas Jefferson around? Should he not be able to get money from all over the country? I said, well, I do not know that we have one, but I surmise if we had one, and he saw this kind of problem, he would be more than willing to say let the people of the Commonwealth of Virginia contribute to his campaign. I think that is what he would say. And forget about all the rest of them.

Frankly, that is what I think we ought to address. Where are you getting the money? Now I hear you have another amendment—it is public financing, but it is not public financing, right? It is public financing, but it is not because the distinguished Senator from Missouri [Mr. DANFORTH] who is now on the floor, one of the finest Senators around and one of my best friends, has suggested that we ought to find some way to clean up campaigns. I have had this discussion with him before privately so we do not mind having it here. We ought to fix up these negative campaigns, these 30-second spots.

Well, let me tell you, if the U.S. Supreme Court has said you cannot even limit an independent group as to what they put on television, it is their business; if it is their money, and if they are unrelated to campaigns, they do not have any ties, they can spend all they want and say anything they want, I assume short of libel and slander for which they could be sued.

How in the world are we, in a bill, going to provide vouchers, public money, to people who are running for these offices like this office that I occupy, so they can go buy a very discrete kind of TV time so as to make campaigns clean.

I say to my good friend, I am on his side, but that is not going to come by way of public financing, the $190,000 that somebody will get in the State of New Mexico to go around and buy TV time that is a little bit longer than the 30-second spots and that ends up with their picture saying, "I support this ad." That is not going to clean up campaigns.

Campaigns are going to get cleaned up when the participants decide to clean them up and when the people of the country decide not to respond, as they do, to negative advertising. They tell you in all kinds of polls, interestingly enough, they despise them, they abhor them, they have no influence on us. But then you run them and they do.

Mr. McCONNELL. Not always.

Mr. DOMENICI. Not always but sometimes.

In any event, this bill before us is public financing to the extent of $190,000 in smaller States. It is public financing in another way, and we really ought to take this piece out. We ought to forget about the Postal Service and subsidized mail for candidates. If you want the people to support a reform measure, then all you have to do is put something in the bill like subsidized mail for candidates.

In the case of New Mexico, it looks like they will get almost 1 million letters per candidate, at a price of 4¼ cents per letter. Just tell the people we have just passed a reform bill and the U.S. Post Office is going to deliver mail for us at 4¼ cents per letter. The whole reform will be lost within a week once the people of the country see that—

On the other hand, when you look at the rest of the bill, it says soft money is prohibited, but you read it very carefully, it is not prohibited at all. It is prohibited in terms of money going directly to the parties.

I am led to believe, and I am a long ways from being an expert, that probably the biggest expenditure of money in campaigns like the U.S. Senate, U.S. Representatives, has to do with so-called sewer money, and the estimates of how much is spent on that are absolutely astounding to this Senator. I read them, and I said could that be the case? I did not believe it.

I understand that as much as $500 million was spent in the 1988 elections across this country in soft money. We are still talking about limiting them somewhat but not in total.

Mr. President, let me take 2 more minutes and address the issue of campaign limitations—caps. If I understand the bill, in addition to the two items which I have mentioned—the TV voucher money, and the subsidized mail—it seems to me you cannot say we are not putting any public money in. We are just sort of limiting how much you ought to spend, if you both agree to it. For each candidate in the State of New Mexico $950,000 is what you will get, much of it from the Federal Government.

I believe what you have really done is open the door to public financing for campaigns in the United States in a way that nobody really wants.

I honestly believe that we are making the job much more difficult than it ought to be. We ought to decide from whence we can get money and from whence we should not get money. That is pretty clear.

PAC's ought to be done away with. Soft money ought to be done away with. And we clearly ought to give an incentive to those who live in our home States, and a very big disincentive to those who do not live in our home States, like $1,000 per person in State, and as low as $250 for anyone who wants to contribute who is not a resident.

I think that is a good game plan. From my standpoint I cannot understand why we make it so difficult. That would be self-limiting. You would limit it.

The distinguished occupant of the chair can think in his State he would be limited, and his opponent would be limited by the popularity and the ability to seek funding in his home State. I think that is the best way to do it. I do not think it would have any bad effects, any negative effects. And frankly, within one cycle of elections, the notion that campaign finance raising, where you get your money, is sort of part of a dark side of democracy in the United States would leave the scene permanently.

I yield the floor.

Mr. MITCHELL. Mr. President, before we began this debate, it was clear to all that the central difference between the two parties on campaign finance reform was spending limits. Democrats in good faith believe deeply that some limit should be placed on the amount spent in political campaigns in America. Republicans in equally good faith believe deeply that there should be no limit to the amounts spent on political campaigns in America.

The debate so far has served merely to confirm that difference. As we have heard over and over and over again from our colleagues, it is opposition to spending limits which is at the heart of the disagreement over this bill:

So the American people should understand the central issue involved. Democrats want to have a limit on the amount of money that can be spent in political campaigns. Republicans are against any limits on the amount of money that can be spent in political campaigns.

That is the central issue. That is the central point dividing the two parties. That is the central reason why there has not been campaign finance reform in recent years; spending limits. Should there be limits on the amount of money spent in political campaigns in America, or should those amounts be unlimited?

That was the issue before we began the debate. That was the issue as we

continue the debate. That will undoubtedly be the issue throughout the debate and thereafter.

I respect the view of my Republican colleagues, each of whom has spoken in opposition to any limits on the amount of money that can be spent in political campaigns. They believe in good faith that there should be no limits; that a candidate for public office in America should be able to spend any amount of money, any amount of money in a political campaign; no matter how many millions of dollars are involved, no matter what is involved, there should be no limit of any kind on the amount that can be spent in political campaigns.

We believe strongly to the contrary that there can be no reform of the American system of financing political campaigns unless there is some limit to the amount of money that can be spent in political campaigns.

Ironically the argument advanced by my colleagues on the Republican side in opposition to spending limits is that spending limits benefit incumbents, and they purport to be representing the interests of challengers in arguing against spending limits, even though the fact of recent electoral history are directly to the contrary.

In recent elections most incumbents spent more than the limits that would have been imposed under this bill had it then been in effect, and most challengers spent less.

So in most Senate races in recent years, a limit would have had no effect on the amount of money spent by the challenger but would have reduced the amount of money spent by the incumbent.

That is of course because, as has been cited here earlier, in the 55 Senate election contests held in 1986 and 1988 the incumbent spent more than the challenger in 51 of the 55. And the difference was more than 2 to 1 in excess of $100 million. Incumbents spent more than twice as much as challengers. Incumbents spent over $100 million more than challengers.

Incumbents would be limited by a spending cap, in most cases; challengers would not be, for the simple reason that most challengers cannot raise enough money to get to the spending cap. Indeed, in a majority, 30 of the 55 races in the last two elections, challengers did not even get up to half of the limit. And so it is clear that the argument that spending limits benefit incumbents is without foundation, in the evidence, in the record of recent elections.

Interestingly, having made the argument that they are concerned about challengers with respect to spending limits, our Republican colleagues now argue in favor of this amendment, which would strike out the voucher provision, even though the principal object of the voucher provision is to benefit challengers, by making it possible for challengers to get, at a minimum, 20 percent of the spending limit in television time. The principal purpose and object of the voucher provision are to help challengers.

There is not an incumbent in the Senate who would be unable to raise enough money to reach the spending limit under this bill. Almost all of the incumbents have raised and spent more than the spending limits. The incumbents have no need of the voucher provision. It does not enable them to do something they otherwise could not do. And one could fully expect that most incumbents will not accept the voucher provision, if for no other reason, that it limits advertising to between 1 minute and 5 minutes and, therefore, prohibits the use of 30-second spots. The beneficiaries of the voucher provision will be principally, if not exclusively, challengers.

So now our colleagues, having spent the first half of the debate saying they want to help challengers, that is why they are against the spending limits, now want to strike from the bill the principal means by which challengers will be benefited, which is, of course, the voucher provision.

So I think it is a fair question. Are we really concerned about helping challengers, or are we really concerned about keeping the unlimited amounts of money involved because they help the incumbents now in the Senate?

That is really the question. That is really the issue. Vouchers are designed to give challengers a better chance in running for the Senate. If our Republican colleagues are really concerned about challengers, as they have so often said, they should be supporting the voucher provisions, not trying to strike them from the bill.

Vouchers will enable challengers to get their message across to the voters. With vouchers, challengers will have the resources to put their advertisements on television and communicate to the voters.

The amendment offered by the distinguished Senator from Kentucky would deny them that opportunity. The amendment will clearly benefit incumbents over challengers. The amendment is offered based on the reasoning that public money is being spent. We have heard a lot of that here, but in fact the vouchers are intended to be paid out of the voluntary income tax checkoff, money set aside at the option of taxpayers to fund fair, honest, Federal elections. The amounts involved are modest when measured against the full Federal budget and the positive impact that the vouchers will have.

I believe that the vouchers are one of the most important and innovative changes proposed to reform the Senate election finance system. I understand the proposal was developed based on the suggestions of Senator DANFORTH, who, as the ranking Republican on the Senate Commerce Committee, has given a lot of attention to ways in which Senate campaigns can be made more positive.

Mr. President, I want to address, briefly, some of the comments by the distinguished Senator from Kentucky on the cost of these provisions. I believe that the figures he cited are inaccurate, because they are based upon inaccurate assumptions about the cost of the amendment.

First, he referred in his remarks to full public financing. Then he assumed that it applied to all Senate and House candidates. Well, of course, the bill before us does not have full public financing, and it does not apply to House candidates.

The Senator used a figure at one point of $500 million, and at another point, $200 million.

Mr. McCONNELL. Will the leader yield?

Mr. MITCHELL. Yes.

Mr. McCONNELL. I was recounting how much had been spent in the Presidential system to date. Then I estimated the original Democratic proposal and, later in the speech, estimated the current Democratic proposal. I was working my way forward to the most recent proposal.

Mr. MITCHELL. I thank my colleague for that clarification, which makes clear then that at least the first two-thirds of this figures are not relevant to the debate that we are engaged in, or at least do not bear directly on them.

Mr. McCONNELL. That shows where we have been in the past, I say to the leader, and probably where we will end up in the future, if we go down this road.

Mr. MITCHELL. The CBO estimate of the contingent public financing provision is $30 million an election, or an average of $15 million a year. And the voucher can cost $20 million every 2 years or an average of $10 million.

So I think that, in any event, it is very clear, and it is a fair difference of opinion that the prinicipal issue is a singular and a simple one, and it is whether there will be spending limits in political campaigns in this country.

I do not believe any reform can be called reform unless it does include spending limits, overall limits, in some fair and reasonable amount, on funds which can be spent in political campaigns.

I regret that our colleagues feel so strongly to the contrary and are so opposed to that content. But I hope that in the course of this debate, we will be able to make clear the importance of this issue and to have it included in any legislation which is finally enacted in the Senate.

Mr. WILSON. Will the leader yield for a question?

Mr. MITCHELL. Certainly.

Mr. WILSON. Mr. President, the leader has made a point, with his characteristic effectiveness, that the cardinal difference between the Republican and the Democratic proposals relate to spending limits, and that is true, though I think it is too broad a statement. We do object to public financing or, as we term it, taxpayer financing, since that is where the money comes from. Indeed, that is the point of the amendment of the Senator from Kentucky.

We also object to spending limits, not that we object to the kind of limitation upon spending that has been placed by the existing law, which we think goes much more to the point of the objection and critics of special interests. We have, in existing law, full disclosure, except for soft money, which we would eliminate in our proposal.

But as far as individual contributions are concerned, we require both a limit of $1,000 per individual and full disclosure so that the public can be assured of two things:

First, who it is that is giving to a candidate and, therefore, what particular axe they may have to grind; and, second, by limiting the contribution to $1,000, and limiting it to individuals apart from PAC's, which we would also eliminate and now they would, also, we give assurance that not too much money will be taken from a single source. Therefore, I think we address pretty much a concern that there will not be either the fact or the appearance of influence from too large a contribution from a single source.

But as it relates to the spending limits about which the leader is concerned, about which the Democratic proposal seems preoccupied, I would have to ask him this question.

The lead author of the legislation, the distinguished Senator from Oklahoma, conceded in our earlier colloquy that too low a limit upon spending he thought indeed did favor the incumbent, did prejudice the challenger, and in fact could make it virtually impossible for a challenger to bring an effective challenge. That is the simple reality of today's media marketplace.

I am somewhat at a loss to understand the formula that has been employed. Even if you like the idea of a spending limit—and I really wonder why it is we are trying to protect the public from too much information, but we will leave that alone for a moment—If the leaders is concerned about equality of opportunity and affording challengers the right to challenge, I would say that perhaps without intending it the proponents of the Democratic proposal have created a situation in which there will be a different level of information in large States than in small States, and representing a large State, obviously I am concerned. I think my constituents are entitled to as much information about a campaign as those in the smaller State of the leader.

I wonder if my friend from Maine is aware this would be a dramatic difference, that in terms of the limits that are being proposed he would be able to spend better than $1 per constituent and my constituent would have to deal with an expenditure of perhaps a quarter?

Can there be justice on that? It seems to me there is an inherent inequity in that situation.

I would say that those may be stark examples. In Maine there are something like 917,000 eligible voters. In my State there are many more. In California, they would be subject to the ceiling that has been affixed. Why, I am not quite sure. It seems to me rather arbitrary, not unlike I might say the arbitrary ceiling that is fixed on office accounts here in the Senate. But that is another issue.

The fact of the matter is there will be a dramatic difference in what can be spent, and what it would mean in short is that my campaign and that of my challenger would necessarily be far more limited than the campaign of those in smaller States who could spend more on television in terms of the amount of time that they could buy, could reach the voters more often by direct mail, could in short bring a great deal more information to their voters than in the large States.

It seems to me that is one example both of the inequity that will exist, the lack of equal protection under the law for my constitutents and those of the Senator from Maine. It seems to me it demonstrates a basic foible of an effort to impose limits, and that is that, whether intended to or not, it is going to have the effect of limiting the amount of information that is available, and it will have the effect far more acutely in large States than in small States.

It is a simple fact that under the proposed formula voters in large States cannot receive nearly the information, at least not from the candidates, as those in small States. Perhaps the leader can explain to me the point of that necessary difference and explain why and how the formula was derived.

Mr. MITCHELL. I will be pleased to. The obvious response of course is that the equity being sought here is as between candidates opposing each other; that is, two candidates from California operate under the same rules, two candidates from Kentucky operate under the same rules, and two candidates from Maine operate from under the same rules. A candidate running for the Senate in California is not running against a candidate running for the Senate in the State of Maine.

(Mr. BRYAN assumed the chair.)

Mr. WILSON. That was not my point.

Mr. MITCHELL. Permit me to finish my response.

So the comparison has no relevance to the object of the legislation or to the reality with which we must deal.

Now, I am not as familiar with the people of California, of course, as the Senator from California, but I will be surprised if there is a groundswell of people in California who are demanding that more and more money be spent in their political campaigns because it is less per capita than is spent in other States, or that they feel somehow that they have been deprived of some rights because less per capita has been spent there than in other States. I think it is probably just the reverse.

We already have several States on their own imposing spending limits. Obviously the people of those States are not protesting the fact that they are not able to spend as much per capita as those States without limits, because they recognize the fundamental reality. What is important is establishing fairness as between candidates who are opposing each other and that is what this legislation seeks to do and will do if enacted.

Mr. WILSON. Let me just say to my friend from Maine that I understand that to be his contention, but inescapably it seems to me that by eliminating the ability to reach the voters with necessary information—and I do not delude myself that either those voters in California or those in Maine are hungry for that information, that they are hanging upon their every word and craving more, and I am not under that misapprehension, unless you are very cynical about elections that you think that they are for the purpose of informing the voters so that they can make an informed choice.

My friend from Maine says that the purpose of the legislation is to create equity not between California and Maine in terms of a particular contest but between the two contestants in each State. I well understand that. That was not my question. I am afraid I was not clear.

The point of the inquiry was to simply say that is he aware that in certain States, the larger States, the limitation that has been imposed imposes such a dramatic reduction in which has been a customary flow of information that it would very likely lead to the very point that the Senator from Oklahoma said he wished to avoid, which is too low a limit.

I think 25 cents per voter compared with $1 means that not only is there going to be a tremendous difference in the ability of the Senator from Maine

to reach his constituents than the ability that a California candidate will have. It also means, and this is far more important, that in my State it would probably result in not just a reduced ability to present information but a dramatically reduced ability. It might mean something like a single man statewide.

Unless you are very cynical about election campaigns, it seems to me that our purpose ought to be according the opportunity for more information, for better informed voters. We all know that part of the problem of rising costs and perhaps ironically lessening ability to reach those voters with more information is the rising cost of the media that has led many on both sides of the aisle who would not have thought to do so to think that the time has come to require that those who enjoy the use of a public resource be permitted to contribute to that educational process by affording broadcast time so that messages can be given to the voters at the appropriate moment in that electoral cycle.

I am one who has come to that conclusion. It seems to me that without intending to, perhaps, the Democratic proposal not only is going to provide for a very different kind of campaign in large States than in small, but it runs the risk, intended or otherwise, of depriving not only incumbents but most certainly challengers from bringing any kind of effective campaign.

So I think that that is a very real concern, if you are persuaded that limitations are a good thing in the interest of what you call equity as between the contestants.

I think you could question that basic premise. As long as there is full disclosure, as long as there is a limit upon what an individual can give, it seems to me that there is not something inherently unhealthy in a contest that reflects the confidence of individual voters, most of whom are within your own State. That is certainly true in mine.

But it seems to me that the danger or whatever you may perceive it to be from that contest in which one, perhaps with the advantage of incumbency—but incumbency is such a mixed blessing, as those who are defeated incumbents have learned, to their unhappiness—it seems to me that whatever the advantages of incumbency the disadvantages that are inherent in placing those limits need to be weighed very much against what should be an effort to try to bring better as well as more information to the voters.

But I thank the leader for his response.

Mr. MITCHELL. Mr. President, might I make just two further comments and invite the Senator's response to them.

First, if the Senator's concern—and I have no doubt it is, since he stated it so clearly—is that there would be a disparity in the amount spent on a per capita basis as between California and Maine and other small States through the enactment of this legislation, I would point out to him that that has historically been the case and is the case now under the current system. It historically and still does require more spending per capita in small States because of the fixed costs of running election campaigns. If that is the Senator's concern, what does he propose to do about it?

That is my first question. That is the case now. The system which he seeks to perpetuate contains the very evil which he has just described about this bill.

Mr. WILSON. Well, my first comment is you are not fixing it.

Mr. MITCHELL. We are reducing it. We are reducing it significantly.

Mr. WILSON. That is your hope. It is my expectation that it is not going to be able to fix it. But what I will say is that you are imposing it. And it is true that there are virtues to incumbency if you have done a good job as an incumbent. No one is arguing that point, and no one, I assume, is arguing that, in the name of fairness, each of us should do a bad job.

The point, I think, is that you are using public moneys, perhaps not as much as the Senator from Kentucky thinks, but perhaps more. I am not sure that he has been outlandish in his estimate.

I point out that a bill that relates only to the Senate and not to the House is a very strange animal indeed. I would point out it is particularly strange in an electoral contest in which there is far less turnover in the House than in the Senate. For that matter, there is far less in the House than there is in the Supreme Soviet.

But the point is really that I think the disparity that may exist in certain States is the result of a choice not by sitting incumbents and Senators; it is a choice of the citizens of those States. They make the choice to the extent that they are willing, within the context of full disclosure and limitations on each of them, to make a contribution.

Now, it is a contest, I quite conceive that. And it seems to me that that is perhaps what the Democratic proposal seeks to eliminate. I am engaged in another contest, but it is not dissimilar because the rules are much the same. The State of California has recently adopted reforms that are similar in terms of the constraints that they place on fundraising. I wish they went a little further, as a matter of fact. But at the end of the first year, I filed a statement, I told my friend from Kentucky, that weighed 13½ pounds because it documented contributions from 51,000 different contributors.

Admittedly, mine is a large State. We have 30 million people. It is not the norm. I do not profess that it is. But the point really that you are seeking in the name of equity to impose what is an inequitable situation. You impose it by law. I say better to let the voters decide how much they are willing to contribute within the constraints that prohibit any rational person from drawing an inference that too much money is being given by a single individual.

Indeed, that is pretty difficult to do since there is a limit. And the limit, even in the case of small States, under existing law means that whatever is contributed by a single individual is a tiny, tiny fraction of 1 percent of a candidate's total budget. That is true whether we are talking about incumbents or challengers.

Mr. MITCHELL. Mr. President, if I might make just one additional comment, and that is the second argument advanced by the Senator from California with respect to these provisions is that there ought to be more ability to communicate with constituents by candidates.

I would simply say then, why vote against vouchers? Because the sole and explicit purpose of the voucher provision is to permit candidates who otherwise might not be able to communicate with their constituents and the voters in elections. That is, it seems to me that the Senator's argument was a very good one for the voucher provision because he made the very point that the voucher provision is intended to reach.

So I hope that, if that is his concern, he will think about this voucher provision because it does precisely that which the Senator from California says should be done.

Mr. WILSON. Let me just say to my friend from Maine, I have thought about it. We have all thought about it on this side of the aisle. We are opposed, as a matter of both principle and the practical concern that we have for competing claims on the Treasury, we are opposed to taxpayer financing. That is why we are opposed to voucher. The voucher is a form of taxpayer financing, and for that reason we are opposed to it.

It is very simple. There is no question that any kind of public financing, taxpayer financing, would add to the convenience of candidates. It is simply not an urgent public priority. It does not meet the test of competition with any number of other far more demanding, more deserving expenditures on the part of the Federal Government. We each of us each day are besieged by voters and constituents who are asking that more money be spent for some worthy purposes.

Well, you could say this is a worthy purpose. In my judgment, it is nonetheless worthy simply because it is not an urgent public priority that our conveniences be served at the expense of more deserving expenditures.

AMENDMENT NO. 2433, AS MODIFIED

Mr. McCONNELL. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right and his amendment is so modified.

The amendment (No. 2433), as modified, follows:

On page 9, line 4, strike the comma and insert a semicolon.

On page 9, strike line 5 and 6.

On page 9, strike lines 15 through 19.

On page 20, strike line 3 and all that follows through page 22, line 22.

On page 22, line 24, and page 23, lines 1 and 2, strike "who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (2) and (3) of subsection (b)".

On page 23, line 3, strike "from such payments to defray expenditures".

On page 23, line 5, after "section 503(b)" insert "in amounts equal to the amount of any independent expenditures in opposition to such eligible candidate".

On page 24, strike lines 3 through 21.

On page 25, strike line 3 through 20.

On page 26, strike line 3 and all that follows through page 29, line 19.

On page 30, strike lines 11 through 22.

On page 32, strike lines 1 through 8.

On page 32, strike lines 13 through 15.

On page 37, strike lines 1 through 9.

On page 46, strike line 20 and all that follows through page 47, line 17.

On page 51, lines 19, 20, and 21, strike "to the Secretary of the Treasury for the payment of any amount to which such eligible candidate is entitled under section 5040.

On page 51, strike 22 and all that follows through page 52, line 11.

On page 54, strike lines 16 through 20.

On page 20, strike lines 1 and 2.

On page 48, strike line 1 and all that follows through page 49, line 2.

Mr. McCONNELL. Let me just briefly explain what I have just done there. I have stripped out the mail subsidy. So now the McConnell amendment, as modified means that not 1 penny of tax dollars would go into political campaigns. One other quick observation, and then two of my colleagues here are seeking recognition to speak.

In reference to the comments of the distinguished majority leader, it is not just the opinion of Republican Senators, or certainly not just the opinion of the Senator from Kentucky that spending limits benefit incumbents. That is the position of the entire academic community all across America, which has studied this issue extensively over the years.

So that is not something that Republican Senators have constructed. It is the entire position almost without exception of the academic community. With regard to the estimates of cost, I think there is no difference between the majority leader's estimate and mine with regard to the broadcast vouchers. We are looking at $21 million for Senate elections and obviously the provision would be extended to the House, which would be an additional $104 million.

What is difficult, of course, to quantify is how much money out of the punitive pool would be triggered against candidates seeking to exercise their first amendment right to get as much support as they can.

Finally, I would say the majority leader is essentially correct in describing the differences between the two parties. He phrases it in a different way than I would phrase it. He says the difference is whether or not you support putting a limit on how much the difference is, whether or not you support putting a limit on how many people can participate in a political campaign.

As Senator WILSON just mentioned, he had 51,000 contributors. I think that is wonderful. I think that is to be applauded. I think if any of us could get those kinds of numbers in our own States, that would be something everybody ought to applaud. I think it would indicate widespread participation and support. That is exactly the kind of participation the Supreme Court said ought to be encouraged, not discouraged. An arbitrary limitation on that kind of participation, the Supreme Court has said, is unconstitutional. I think this bill is as well.

Mr. President, there are a couple of my colleagues who have been waiting here for quite some time who have not had a chance to speak. Therefore, I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. I will speak shortly tonight. I will speak more at length another time. But I want to speak on an irony that is happening here today.

Eighty-two days ago the President called a budget summit together—82 days. He said to the Republicans and Democrats in Congress: "Come on, gang, let us get together here."

Do you know what the Democrats said, speaking in a partisan voice? All right, we will get together. But you know what the problem is, he will not propose taxes. Taxes have to be part of this deal.

The President said, no, we are not going to have taxes. I am not going to put taxes out there. Let us see what kind of spending cuts we will get out of Democrats. Eighty-two days ago we started down this road.

Finally, several weeks ago, the President even said, "All right," after all this criticism he has taken from the Democrats, "I will put taxes on the table." Everything is on the table. If this budget summit falls apart, it cannot be blamed on the President.

After months of being criticized by the Democrats for not saying taxes should be part of this, as soon as he put taxes on the table, pow, he gets hit. Breaks his promise. "That is the trouble with that man, you cannot trust him."

But he said, "You told me to do it." It does not matter.

Now what happens? Last week he actually put out some specific suggestions as to taxes, a $10,000 cap on the deduction of State and local income taxes. Do you know who that affects? Eighty-six percent of that is raised from people who make over $200,000. Pow, Mario Cuomo shoots it out of the sky. Do not want that one. Out. The President suggested alcohol taxes. Shoot that down.

What is the President finally saying to the Democrats? All right, gang, where is your budget? Democrats control the Congress; Republicans control the Presidency. He says to the Congress, "Where is your budget? I gave you one in January. Our economic figure has changed; I have given you new estimates now; I have proposed taxes. What taxes do you suggest?" Nothing. Not a word.

You know the one thing the Democratic Congress is proving very adept at? Passing appropriations bills higher than the President's budget with no way to pay for them.

And now do you know what the ultimate is? We have the gall to come here and say to the taxpayers, we have a new surprise for you. In addition to the fact that we cannot come up with a budget, and in addition to the fact that we are spending money that we do not know how to raise, we are now going to let you have the privilege of giving us another one-half billion dollars over the next few years for our campaigns so we do not have to work at it too hard. You work harder so we do not have to work at all.

This is what we are getting out of this Congress. I know it is being said this bill only applies to the Senate; CBO says it only costs so much money. Hogwash. We know where this bill eventually is going to go. We know where the proponents of it want it to go.

We can cure the few things wrong with the perception of the American political system by a few simple amendments, all of which are in the Republicans' bill. PAC's are bad? Ban them. After tugging and hauling and pushing, we have finally brought the Democrats to that position. No PAC's.

Now, they say, sewer money is bad. Only they really mean party money. They do not mean nonparty money. Let me explain the difference.

Party money is political parties, Republicans, Democrats, Libertarians, Socialists, Communists, whatever. Talk about big tents or small tents if

you want; you sort of gather around in a certain ideology. I hope we have not reached the place where the people say there is a conflict between a party and the party's candidate.

But they say this money is going to State party organizations, and they are using part of it for Federal races; therefore, that violates the spirit of clean government, so stop it.

Arguendo, let us assume that we stopped it. Is that the biggest problem? That is not the biggest problem. We have not heard many voters talking about: There seems to be a conflict of interest between the Democratic Party and its candidate or the Republican Party and its candidate. The real loophole in the law is what we call nonparty sewer money, which is not accounted for—give as much as you want, you do not have to report it. Charles Keating was giving nonparty sewer money to a variety of endeavors, all of which were designed to increase the Democratic turnout in the vote. This bill does not do a single thing to change that. Charles Keating can still give the money to these mass get-out-the-vote campaigns.

As long as we are talking about partisan advantage, let us put it very clearly as to why the Democrats do not want to do this. It is perfectly understandable. If I were a Democrat I would not want to do it either.

On balance, on average, incumbents beat challengers, including Republican incumbents against Democratic challengers. And, in the Congress, there are more incumbent Democrats than incumbent Republicans. So anything you can do to enhance the advantage of incumbency benefits the Democrats.

Two. On average, the majority party beats the minority party. That is why the minority party is the minority party. And there are more Democrats still in this country than Republicans. So all other things being equal, incumbents will win, and all other things being equal, the majority will beat the minority. And if you happen to be a majority party incumbent, you are twice blessed.

Do incumbents get beat? Sure. Some have personal scandals, some become senile, some make terrible faux pas during the campaign. I am just talking about averages.

But to ensure, in addition to everything else that this bill does, that the Democratic advantage maintains, this bill very clearly does not want to stop the Keating sewer money for a simple reason. Again I am talking about averages, Mr. President. People who have to be dragooned into voting, have to be coerced into registering, who do not take much interest in Government, are more likely Democrats than Republicans. And, therefore, if you have to go about your neighborhoods rounding them up, herding them to the registrar, dragooning them to the polls, I know, Democrats know where those votes are, where to conduct your registration drives. And do not do anything to stop organized labor, do not do anything to stop the very far left-wing environmental organizations, do not do anything to prohibit those 501(c)'s from getting out the vote; that is, the Democratic vote. Do everything you can, however, to make sure the Republicans, operating through party organizations with reported money, are hobbled in getting out their vote.

Let me say again, it is ironic that on this day we are starting this debate. There was some discussion about Congress staying in session an extra week to take care of the budget problem. An extra week? We can stay here an extra month. To take care of the budget problem, we cannot even get the Democratic Party to make an offer. Do you know why? All during August they can go home and say what a terrible thing the Republicans have done. Look at those taxes they want to levy. And not many people will say: Well, gosh, I thought you were the ones who said the President should present taxes. Do you have any suggestions for taxes?

No, they will not say that. Nor, I will bet, will they say a word about this heist they are going to make out of the taxpayers' pocket. They will go home and talk about spending, campaign reform, corruption, not a word about one-half billion dollars that they have no way of paying for and apparently intend to offer no way to pay for.

So, Mr. President, I say if you are an average American taxpayer, and I have talked a lot about averages, if you are mad about the source of money, and you should be, that can be cured. If you are mad about immense amounts of big money, and I mean $500,000, $600,000, $800,000, going to ad hoc organizations with no accounting of who gave it or when it was given or how much was given or how it was used, that can be cured. The Democratic bill does not cure it. The Democratic bill does not want to cure it.

What that bill is designed to do is to ensure every advantage possible to the Democratic Party by doing everything possible to ensure that majority party incumbents are given a further advantage, and then in the last analysis, saying we are so over burdened with work, we are so tired and our organizations are so beset with trying to raise money, that we now want you, Mr. and Ms. Taxpayer, to finance our campaigns.

Boy, I am happy to take this issue to the country. I will be happy to go home in August on this one. I will talk about our bill. I will talk about who took the first bill on getting rid of PAC's, who tried to take the sewer nonparty money, who tried to close the millionaire's loophole and who tried to do it all without blackjacking the American taxpayer for another half a billion dollars over a number of years when we have a $150 to $200 billion deficit and the Democrats cannot figure out any way to get it down.

I hope this debate goes on for a long period of time, Mr. President. But I hope it very seriously revolves around whether or not we are going to ask the American taxpayer to pungle up more money to ease our lives so that we do not have to work as hard. I thank the Chair.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri [Mr. DANFORTH] is recognized.

Mr. DANFORTH. Mr. President, I have not been glued to the television set today and I do not know everything that has been said on the floor, but my understanding is that my name has been bandied about so frequently that the casual viewer might conclude that the present form of this legislation could be called the Boren-Danforth or the Danforth-Boren bill. I want to assure all who are interested that that is simply not the case.

I do have a slightly different position than some of my Republican colleagues, but I do not adopt the position taken by the sponsors of this legislation, and I do support the amendment that is offered by the Senator from Kentucky.

Mr. President, some months ago, I took the floor of the Senate to give my views on what I consider to be the shortcomings of the debate on campaign reform. It is usually said by people who describe what we are debating that this is campaign finance reform. Largely, the bill that is before us is a campaign finance reform bill. The position that I took on the floor, a few months ago and the position that I hold today is that campaign finance reform is really not the central issue that is before the country with respect to political campaigns. The question is not how we buy political campaigns. The most important question is what are we buying and what are we foisting on the people of this country?

I do not hear many of my constituents complain to me, "oh, isn't it too bad that you have to spend time raising money?" Nor do I hear my constituents complaining about some campaign committee raising money for my campaign. What constituents complain about, and what they should complain about, is that what we are buying in political campaigns is sleaze. It is the quality of political campaigns, not the cost of political campaigns that should be at issue and is at issue every time we go through one of these exercises every 2 years.

Every 2 years, when we go through a political campaign, we as a people say to ourselves, "This is nauseating. This is disgusting. This is beneath us as a people to have to suffer through this kind of garbage over the airwaves for weeks on end."

It is the quality of the campaign, not the cost of the campaign, that is foremost in the minds of the American people. Most political campaigns, at least most congressional campaigns and Senate campaigns these days, are television campaigns. Very little is done in the way of door-to-door campaigning. We do not have the time any more to push the doorbells, and most people do not show up to hear political speeches. Most people, frankly, are bored by them. The party faithful show up. We travel around our States during an election campaign not really to have an outreach effort, but to shore up the spirits of the party faithful.

But as far as reaching the voters are concerned, most campaigns today are conducted on the mass media, on radio and on television. Most campaigns today are comprised of the 30-second spot commercial, and the 30-second spot commercial is an art form which has one use and one use only, and that is to do a job on your opponent. Very little that is positive can be put in 30-second form. But a lot that is negative can be put in 30-second form.

In 30 seconds, you can attack your opponent; in 30 seconds, if you repeat it often enough, you can cross your opponent and all of this can be tracked scientifically by those who put out public opinion polls.

The pollsters can tell you whether your spot commerical is working or not, and all of us know stories of political campaigns which have been turned around in a matter of weeks, maybe even days by the right negative commercial. That is what political campaigns are these days: 30 seconds, attack destroy.

And the lesson for those who have been attacked is, do not be silent. It used to be thought, I am not going to dignify that charge by responding to it. Now if you do not respond, you lose the election. So you have to respond and then you attack yourself, and your opponent responds to your attack, and that is the nature of political campaigns. That is what turns off the American people, and that is what should turn off the American people.

I took that position on the floor of the Senate several months ago, and I made some proposals for how to address it. One proposal was that the candidate should appear on the commercial himself or herself and say in effect, "I adopt this message as my own. I take personal responsibility for this message."

Today, that is not the case. There is a legal requirement of a tag line. There is a requirement in the law, but the candidates say the preceding message—not the candidate even, but that it appear at the bottom of the film clip, this message was paid for by the citizens for Joe Dokes' committee, whatever.

Usually, there is no such committee, in the usual sense of a committee. It is just somebody—the brother-in-law of the candidate or somebody—purporting to be a committee. This is paid for by the citizens for Dokes. And then the secret message is, of course, candidate Dokes never heard of this before. This is not his commerical.

It was my view that the candidate should come on the screen himself or herself and say I am responsible for the garbage. That was the proposal. I am pleased to say that the Senator from Oklahoma did, in fact, include in the bill that is now before us exactly that kind of provision. I think that that is one of the most important things to be included in this bill.

I made another proposal. I said that candidates should at least have the possibility of speaking to the public in longer slots of time than 30 seconds or a minute. Candidates should at least have the possibility of speaking for periods of 5 minutes to their constituents because in 30 seconds you can do a quick hit job but in 5 minutes a candidate can express an idea. So that was the second proposal.

The Senator from Oklahoma has included in this version of the legislation a contorted and, to my mind, totally inadequate version of that provision. First of all, he does not talk about 5-minute periods of time. He talks about 1 minute to 5 minutes. That to me means 1 minute, and that to me is inadequate.

But second, he talks about paying for these 5-minute slugs of time by vouchers. I do not entirely agree with my friend from Oregon in that it does not shock me to consider the concept of vouchers or some form of limited public financing for 5-minute segments of a campaign. I do not think that candidates are going to buy 5-minute slots of time when they can buy 30 seconds. I am told that as far as the consultants are concerned, it is the number of appearances rather than the length of the appearance that is important. So I think that a subsidy or even providing free time for the 5-minute slugs of time is a concept which should be explored. I do not mind the idea of vouchers.

Mr. BOREN. Will the Senator yield?

Mr. DANFORTH. Yes.

Mr. BOREN. I do not know if the Senator was listening earlier in the day when I discussed this provision, and I appreciate the comments he has made about our inclusion in the bill of the disclaimer at the end, or rather maybe it is the opposite of a disclaimer. It is the candidate accepting responsibility for whatever is in that particular spot, which is an idea that the Senator from Missouri suggested on the floor and he should have put in this bill.

We also have attempted to put in the concept as he has just indicated with the voucher of a longer period of time than 30 seconds. If we were able to change our provision—and let me say I indicated earlier probably out of the Senator's hearing, as he was not on the floor, that we are not wedded on our side to form 1 minute of 5 minutes as opposed to 5 minutes, or 3 minutes to 5 minutes—would this make it more likely to satisfy the Senator from Missouri if we were willing to change our voucher provision to 5 minutes—that is the first question—5 minutes only, or 3 to 5 minutes or something else? Usually the time comes in 30-seconds, 1-minute, 2-minute, or 5-minute slots so that is reasonable thinking in those terms. This Senator has no problem with that.

I think the Senator is right that the longer the amount of time used the more likely it is you will have a discussion of a substantive issue. In the last Presidential election I noticed the average amount of time given the Presidential candidates in evening news was 11 seconds. It becomes a little difficult to say something substantive about the way the country should go in 11 seconds.

So I am certainly open to suggestions from the Senator from Missouri. The first question is, would it be more likely that he would support this provision if it were made 5 minutes, and second, do I understand the Senator from Missouri correctly that he is not philsophically opposed to the use of the voluntary checkoff which is money over and above what the people owe in taxes?

It is not money owed in taxes. I want to underscore that. It is not public financing. It is money over and above what people owe in taxes that would be added on voluntarily. He is not necessarily philosophically opposed to some sort of a voucher system as we have heard some others, quite frankly, on the other side of the aisle saying this is not a spending limit issue with us, this is a public financing issue?

I gather the Senator from Missouri is not changing his mind about his own propsoal that he would support the use of vouchers paid for out of a voluntary checkoff if they were appropriately framed for the right amount of time for candidates—I assume all candidates in the case of the Senator from Missouri. Am I correct?

Mr. DANFORTH. The Senator is correct in that it is my view that this bill would be significantly improved if instead of having 1-minute to 5-minute

slots of time, we had 5-minute slots of time.

Second, philosophically, I am not opposed to the concept of a voluntary checkoff. I am not opposed to the concept of vouchers. I am not opposed—and I have discussed this with my friend from Oklahoma—to the idea of letting the political parties contribute x amount of money more than they can now to a candidate's campaign provided that money is earmarked for the purpose of the longer messages. That I think is a matter of dispute.

Obviously, most people on our side of the aisle would oppose any idea of vouchers. It is my understanding that most on the other side of the aisle would oppose the concept of increasing the amount that a party can raise and contribute but to allow that to go for the purpose of the longer time slots.

But I want to hasten to say, lest the sponsor of this bill get unduly optimistic about my position on the underlying legislation, I have come to believe that the fatal flaw in the suggestion of the Senator from Oklahoma is his linkage of the idea of longer time slots, his linkage of the idea of vouchers, even his linkage of the concept of lowest unit rate, which is another reform that we have worked on, to spending caps. That to me is a linkage which fatally flaws the concept, and clearly a linkage which makes the legislation unacceptable to I believe everybody on this side of the aisle and to the President of the United States.

So while it might be good speech material on the floor of the Senate, the idea of a spending cap is one that in my judgment is not going to become law and should not become law. What I am concerned about is that a good concept, I think a very important reform, which is the longer periods of time for a candidate to convey his message, has been linked to a spending cap. It has become a carrot to extract compliance with the spending cap. Similarly, the lowest unit charge reform, again something that really should be done—it is very important to close this loophole in the law—the lowest unit charge reform that we should do in this legislation has been linked with the idea of a spending cap.

Several months ago when I took the floor of the Senate I said that, in my judgment, the content reform was what we should be focusing on. I said I believe something to the effect that the various financing reforms that were being bandied about were of little moment or no moment, as far as I was concerned. Thereupon, my friend from Kentucky met with me on more than one occasion and armed me with a stack——

Mr. FORD. Mr. President, would the Senator from Missouri yield for just a moment? I would like it if the Senator would distinguish which Kentuckian armed him when both of us are on the floor.

Mr. DANFORTH. I appreciate that. The junior Senator from Kentucky armed me with a very extensive stack of articles and papers that had been written by various scholars on the question of spending caps—asked if I would read the articles. In fact, I did. One scholar after another attacked the basic philosophy of the spending cap. I must say that I believe the arguments that were made were good arguments.

One argument is that a spending limit limits a candidate's ability to communicate with his constituents. The spending limit does not limit the cost of a campaign. The cost of the campaign is set by the television people, by the campaign consultants, by the cost of air transportation and car transportation, by the cost of the campaign staff, and by the cost of keeping the candidate in the field. None of these costs are going to be touched by this legislation.

The legislation purports to cap the price that can be paid to meet costs that are beyond the control of the candidate. Therefore, the legislation purports to say to a candidate for public office here is the cost of communicating with your public, and we are prohibiting your paying the price to meet that cost.

It is said that that raises a constitutional issue. I think it clearly must raise a constitutional issue to not limit the cost of the campaign but to say that a candidate cannot do what the candidate must do to meet that cost.

Costs go up; the funds do not go up; and a candidate is left in the position where he has to, in effect, turn off the switch.

A second reason why I think the spending caps are a bad idea is that if we were to limit what can be spent by a candidate's committee, then additional pressure would be placed on other sources of funding the campaign. To the extent that hard money contributions were capped, to the extent that a campaign committee was limited in what it could do to promote the candidacy of its choice, then there would be even greater pressure on soft money inputs to a campaign.

The campaign would not be less vigorouly contested. The candidates would not crawl into a hole but there would be other sources of supporting the campaign. To limit what is open, what is reported, what is controlled, and what is above board means that there would be more call on that part of a campaign—namely, soft money which today, under the bill as it presently stands, is not limited and which is not controlled.

Finally, in my judgment, the idea of a cap really misses the point, if the cap is regardless of the source and regardless of the amount.

Let us say that a Senator is running for reelection, the Senator has reached the cap, and the Senator's neighbor and friend comes up the day after the cap has been reached, and says I want to contribute $5 to your political campaign. What is corrupting about that? I do not think anything is.

Mr. President, I appreciate what the Senator from Oklahoma has done in the enhanced disclosure portion of the bill where a candidate must appear with his own face on the screen and take responsibility for the message.

I further appreciate the willingness of the Senator from Oklahoma to work with me in trying to come up with some method of providing for long periods of time, five-minute periods of time. I appreciate the Senator from Oklahoma being willing to entertain moving the 1- to 5-minute concept in this bill in its existing form to a 5-minute period of time.

I do not disagree with the concept of some form of voucher or in the alternative of allowing extra fundraising and contributing capabilities by the parties in order to pay for the longer periods of time. All of that I agree with the Senator from Oklahoma.

But I must say that on reflection on that portion of the legislation, which clearly means most to Senators on both sides of the aisle—that portion of the legislation which has just been described by the majority leader as the key point in contention and in his mind the most important part of the bill—on that question of spending caps, the advisability of spending caps, and the fairness and constitutionality of spending caps, I come down on the side of the Senator from Kentucky.

Therefore, while I appreciate very much the forthcoming attitude of Senator BOREN, his characteristic good humor and competence in attempting to work out legislation where he could get at least some support from this side of the aisle, I am afraid with spending caps in the legislation that constitutes a fatal flaw from my point of view.

Mr. BOREN. Will the Senator yield for a question?

I know the Senator having studied this matter, has studied the report of the group of bipartisan experts that was put together by the two leaders to deal with the question, to try to break the impasse over the concept of spending limits. And as the Senator knows, that particular panel of experts indicated that it would favor overall spending limits with an exception. That is the reason it was called flexible spending limits.

It would favor an aggregate limit on how much could be raised outside the home State of the person, favor an aggregate limit at least in its original form for in-State contributions but no limit on contributions below a certain

size which was undesignated within the home State of the candidate.

How does the Senator from Missouri feel about that? In other words, the one category, and we have tried to at least move in the direction in our proposal by saying that you can have an additional 25 percent on the spending limit for contributions raised inside the home State of $100 or less; but let us say that were open-ended, the amount of contributions under a certain size, no magic figure here, within the Senator's home State; how would he feel about some aggregate limit on large contributions and on out-of-State contributions, if that were the case; how does he feel about the overall framework of the suggestion from the bipartisan panel of experts?

Mr. DANFORTH. Mr. President, without getting into the details which many Senators have focused on in much greater depth than I have—for example, Senator MCCONNELL, who is a real expert on this—I say to the Senator from Oklahoma that if we could build into this legislation some form of flexible cap, I believe that we could get a bill passed that the President would sign. I believe it would be possible to put it together.

I have heard Senators on my side of the aisle, who fear very strongly against the legislation in its present form, say that in their opinion this is very close to being worked out, that the negotiations have been very fruitful. And without passing any personal judgment as to the precise form of a so-called flexible cap, this Senator believes that many votes would be gained on this side of the aisle by some sort of flexible spending cap proposal.

There are, I am sure, other things that should be worked out in the legislation. People have mentioned the soft money issue on the floor, and that is something that also should be addressed. But my own view is that, again without getting into the details, it would be a major contribution to the enactment of legislation, if we could come up with some sort of flexible proposal.

Mr. BOREN. Well, Mr. President, I do not want to cut off my colleague. I did want to make a few remarks on the other statements that have been made earlier by the Senator from Oregon. Let me defer until the Senator from Kentucky has an opportunity to address a question.

Mr. MCCONNELL. If the Senator from Missouri will yield, I wanted to commend him for an outstanding speech and thank him for all the work he has done in the broadcast area. I believe we ought to have comprehensive campaign finance reform. If somebody said you can do just one thing and one thing only, the area that the Senator from Missouri has provided so much leadership on, this broadcast area, is the central element, because that is the way we reach our constituents.

If we were able to come up with something that gave us an opportunity to more easily reach large numbers of people through the broadcast media, we would have taken a major step in the right direction. If we do that, I suspect the Senator from Missouri will have been one of the main reasons we reached that goal.

Mr. DANFORTH. I appreciate that comment, Mr. President, and I agree. If we are talking about real reform, it seems to me that we should be focusing on the cost of campaigns, not on the price that can be made to meet that cost.

The present system under which a broadcaster can charge a political candidate, say, five times what he charges a commercial advertiser, is totally unfair and contrary to what we intended to do in Congress back some 18 years ago when the lowest unit charge provision was put in the law.

The opportunity for abuse is obvious, and it really is something that should be corrected. I think that there is a good basis to work together in doing that in this legislation. We have some suggestions to make that are of a pretty technical nature, and I think relatively uncontroversial with respect to that part of the bill.

If the PAC's are eliminated, if the lowest unit rate provision is addressed, if we do something about soft money, and if there is some flexibility in dealing with this cap issue, which obviously is totally divisive between the two parties, we could put together not just a very good campaign finance reform, but campaign reform bill.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. I thank my colleague from Missouri for the comments he just made. I hope he will not think that I am speaking with tongue in cheek when I say to him—and I hope he will hear me when I address these comments to him for a moment—that if he looks at the package offered on the other side of the aisle, if he looks at the package on this side, he will find that we have taken his concept of lowest unit rate and the Commerce Committee proposal, which has been discussed, and we put it in this legislation, and we are fine-tuning it and improving it.

We have heard his comments on the floor, and we have said we are willing to use the checkoff, among other possible methods, to have a voucher, to pay for periods of time in which the candidate will appear longer than 30 seconds. I have to say that I have heard philosophical objection on the other side of the aisle for such vouchers. We are prepared to have such vouchers.

We also have put into this draft which is before us the proposal—I think, excellent proposal—of the Senator from Missouri, that the candidate must claim credit—or I might say discredit in some cases, if it is a negative kind of commercial, for whatever is going on in the airways, as sponsored by his or her committee.

These are suggestions that have been offered by the Senator from Missouri. Let me say, I believe we have shown even greater willingness to include them in the draft here.

I have not heard a willingness to include vouchers paid for by the checkoff, even if they went to all candidates not conditioned on acceptance of a cap on the other side of the aisle.

I say to the Senator from Missouri that his suggestions have been heard; they have been treated with respect by this Senator and by others in the negotiations on this side of the aisle. I believe that he is correct when he says at the end that we can work out legislation that will be real campaign reform. I would like to think it will also be campaign finance reform at the same time. We must continue that effort.

Let me say—and I hope I am not misunderstood—that I was disappointed a moment ago when I heard the comments of the Senator from Oregon, because they were all along the lines of Democrats want this and Republicans want that, Democrats have said this about the President, and the President said that about the Democrats.

Let me say, Mr. President, this Senator is not going to engage in a Democrat versus Republican discussion during this debate. This Senator has not once said one word of criticism about the President of the United States since the President of the United States opened budget negotiations between the two parties.

This Senator is going to do nothing but commend the President of the United States for having the courage to call that kind of meeting together, in a spirit of bipartisanship. This Senator is not going to turn this debate into a partisan debate about what is good for Democrats and good for Republicans. This Senator does not intend to have an unkind word for what is being said on the other side of the aisle, because this Senator is not interested in a Democratic bill; this Senator is not interested in making speeches to make those on the other side of the aisle look bad or to make this side of the aisle look good; this Senator is interested in one and only one thing, and that is campaign reform, genuine campaign reform, that will benefit all of the people of this country, whatever party they

happen to belong to. That is what this Senator is trying to do. That is the kind of agreement that this Senator wants to hammer out.

I think I can speak for the distinguished majority leader when I state that those are not only my sentiments, but his sentiments. I sat in the room in his office when he had those on our side of the aisle who had been working on this legislation, and I heard him lead the discussion. I heard him say the President of the United States says he wants PAC's taken totally out of the political process. Senator DOLE has indicated to me that when we get to the amendment process, the very first thing that is desired on the other side of the aisle is to get rid of PAC's, banning PAC's totally from the process.

We all know there is great division, and it is not totally on our side of the aisle. There is some on the other side of the aisle. But I would say it has been consistently the position of the White House specifically that they wanted PAC's totally out of the process.

It is a view this Senator individually favored for a long time, since Senator Goldwater and I introduced a bill back on June 8, 1983, which indicates where this Senator stood on this issue for a long, long time. But it was not an easy position to take. It was not an easy position for the majority leader, given the differences of opinion within our own party about this issue. But he said: How can we send a signal that will give our motives credibility? How can we say to the other side of the aisle we are not here to score political points; we are here to try to work something out?

He felt and I felt and at the end of the discussion all of us felt that in all sincerity this is one thing we could do, take the President's first priority and put it in this bill, and that is what we did.

The second thing we did was to take the objection to public financing and the public financing that had been put into our provision in terms of cash grants to candidates, all candidates who would accept the spending limits, whether their opponents went over the limit or not, automatically give it to all candidates that will accept the spending limit.

We felt this was a key point. As many on our side of the aisle felt that was essential, we took it out. And that was our way again of saying, Mr. President, we are not here for political exercise; we want a bill. We want a result. We want to pass something, and we want to pass something that can be bipartisan, and we want to pass something that the President of the United States can sign.

I am not going to get into a discussion answering any kind of partisan comments from the other side of the aisle. That is not what we are here for. We are going to keep this train on the track. We are going to discuss campaign reform and we are going to discuss what is good for this country and not what is good for one party or another party.

I am constrained to have to answer at least one or two comments the Senator made, and that is that this bill does not do anything to take care of the Charles Keating case. I have to say that unfortunately is just not accurate. This bill is aimed exactly at that kind of situation. Mr. Keating, it is known, raised a lot of money, a lot of money from his employees and associates for various candidates.

He did something else. He also apparently gave a lot of money to tax exempt groups that were aimed at a get-out-the-vote effort, supposedly solicited by Members of the Congress.

This bill has two provisions in it. One, it bans Members of Congress from making solicitations from others for organizations that have a get-out-the-vote purpose. So we ban any Member of Congress from making such solicitations or receiving such contributions.

It secondly puts an aggregate limit on overall spending, and therefore it does something about the person who can come in and with one contribution at a time raise huge amounts of money and let candidates spend large amounts of money. So it is aimed exactly at that kind of situation.

I have to say what we are really talking about here with this amendment. And I think it is unfortunate that so many things have been thrown into it at once. We are not talking about the merit of the proposal of the Senator from Missouri: vouchers for 5-minute time slots, to try to increase the level of public debate. We are for that. I am for that. I made it clear.

I will accept an amendment from the Senator from Missouri to change it from 1 to 5, to just 5-minute slots, if he feels that would improve the effectiveness of the provision.

We are not here to talk about lower mailing rates. Let me say again that provision has been supported consistently and publicly by Senators on the other side of the aisle. The distinguished Senator from Alaska [Mr. STEVENS] on various occasions has supported reduced mailing rates for political candidates. So have several other Senators on the other side of the aisle. In fact, some of those suggestions were most eloquently, articulately, put forth by Senators on the other side of the aisle. We put those provisions into the bill.

What is this amendment really about? This amendment is really about doing away with PAC's. That is really what it is; it is about public financing. We all raise some amount of money, direct or indirect, that involves a very, very small amount, not $500 million, as was said on the floor, because we have taken all of those provisions out of the bill. Those provisions are not in there.

If candidates running for the same Senate seat, Democrat and Republican, in a particular State both accept the spending limit and abide by it, there is not one penny drawn on from the stand-by fund; not one penny drawn. The only thing that would be available is lower mailing rates and a voucher for television time, as originally suggested by the Senator from Missouri.

What, then, really is the thrust of this amendment? And I think we ought to just openly talk about it. It is not about public financing. It is to remove from the bill all of the incentives or most of the incentives which would lead candidates to accept voluntary spending limits.

This is not a public financing amendment. This is an amendment to try to pull out of the bill anything effectively encouraging candidates to accept spending limits. That is the issue.

How do we induce candidates to accept the voluntary spending limits? We induce them to do it by several means. We say if you accept the voluntary spending limit for your State, you then get lower mailing rates and a voucher for some television time, along the lines previously suggested by the Senator from Missouri. You also avoid the negative effect of having to put a disclaimer on your ads saying you are a candidate that does not accept spending limits. And you get help if your opponent breaks the spending barrier and goes over the limit that you have voluntarily accepted. Those are the inducements.

This amendment removes nearly all of those inducements to accept spending limits. So the real issue here is not public financing. In spite of all of the overblown and overstated amounts that have been thrown around here on the floor, everybody knows the cost is a maximum of $20 million for the television vouchers. The cost of indirect mailing is much less, and there is no public money coming forth unless candidates break the spending barrier.

So what it is about, it is an effort to make spending limits ineffective, and that is what it is about. That is the issue.

Listening to my good friend from California speak a minute ago, I thought he made a very interesting statement. He said, Mr. President, that the turnover in Congress, particularly the House of Representatives, was so low that it was lower than that of the Supreme Soviet. That is what he said. And looking at what has been going on in the Supreme Soviet lately, that is an accurate statement. Certainly,

there is more turnover. More people walked out on the last party Congress than changed hands in the Congress of the United States in the last decade or so. Why is it? Has that incumbency protection occurred under this bill that we have introduced that has not yet been enacted into law?

No, Mr. President. That incumbency protection occurred under the present system of no spending limits. If that lack of turnover, less than the turnover in the Supreme Soviet, was due to spending limits, it would be impossible, because we have no spending limits. That lack of turnover has occurred under a system without spending limits, and that is what we are trying to change, and that is what this Senator has difficulty understanding. If people are concerned that there has been less turnover in the House of Representatives than has been in the Supreme Soviet, they should be joining us in an effort to have competition in American politics based on who has the best idea and is best qualified, and not who can raise the most money, because incumbents can always raise the most money.

There is an incumbent protection plan already, but it is not our bill. The incumbent protection plan is a campaign system that has no spending limits in it.

Because incumbents, and the facts show it, in 51 out of the last 55 Senate races, as the Senator from Maine pointed out, and it is a fact, in 51 out of 55 races, who raised the most money? An incumbent. In the last election cycle, they raised $2.50 for every $1 that challengers were able to raise.

Why? Because the well-heeled contributors and the special-interest groups want access to those people who are already here in power.

As I indicated earlier, no wonder only 37 percent of the American people went to vote in the last congressional off-year election, compared to 95 percent in East Germany and 90 percent in Nicaragua; 30 percent in the United States. Why? Because the people have come to believe they just do not have the influence, they do not count any more, that it is money that is deciding elections. When you look at the results, it has been the candidates who have been able to raise the most money that 9 times out of 10 have been winning the elections.

If we want to do something to change the system, and we want to do something to level the playing field, and we want to do something to get campaigns back on a path of ideas, where the majority of the American people will feel they have some say, the key to it is putting some limits on runaway spending.

I fail to understand, Mr. President, and I have heard again and again my colleague from Kentucky, for whom I have great respect, say, you know, it is wonderful for people to put all this money into the system because in that way they can participate in politics.

Well, Mr. President, I do not see the participation has gone up as the cost of winning the average U.S. Senate race has gone up, since the 12 years I have been in the Senate, from $600,000 in the first year I came to $4 million in the last election cycle. Has participation in politics gone up as a result of that? Has it gone up as a result of our having spent so much time, effort, and energy to raise money, to be full-time fundraisers and part-time Senators? I do not think so. Has it increased the confidence of the American people in our system? It has made the American people feel that they are just common individuals that cannot afford to make big political contributions. And if they want to see their Senator or Congressman and he has 5 minutes available, they are not going to get in the door, not if somebody else is standing there that happened to give him $1,000 or a PAC manager able to give him $5,000.

That is why the people have lost confidence in the Government. That is why 85 percent of the American people, according to the latest poll, said "We want a limit on spending. We want a limit on runaway spending." How can we look at ourselves, given the opinion of the American people, and say we could have real campaign reform without doing what 85 percent of them say is the heart and soul of the reform itself—putting a limit on spending? I do not know how in the world we could say we could have real reform in that case.

It would be like the young lady who wanted to talk her mother into letting her go swimming. She wanted to go swimming. Her mother was fearful something might happen to her daughter. She said, "May I go swimming?" Her mother said, "Yes, dear, you may go swimming, but you cannot go near the water." That is exactly what we are talking about; that real campaign reform will not do anything to stop the runaway chase for money and more money pouring into our system. There is no way to do it.

I would have to disagree with the concept that if we just do away with political action committees, a proposal I have long favored, and if we just limit, as has been proposed on the other side of the aisle, out-of-State contributions to $250 or less, then we will have only wholesome money left in politics. What about the single-issue politics that has gone up in this country in the last few years, judging Members of Congress not on their whole record, not on their vision for country, but on one single issue. "No, I am not going to judge your whole record. I only want to know where you stand on this one thing," whatever it happens to be: National Endowment for the Arts, gun controls, or abortion, or whatever; just one thing. You could be wrong on every issue of importance: the future of our children in education, and how we get back in international trade, and how we rebuild our economy, and how we balance our budget, but they are going to just vote on one thing.

If there is anything that is as bad for American politics as runaway spending and special-interest influence, it is single-issue politics. If we leave a loophole a mile wide that lets people that can get the hottest emotional mailing list and raise money from strangers all across the country that do not know them at $250 apiece or less because they have the right mailing list or right single-issue group, we are absolutely going to set the cause of good government back in this country in a way that will take us a long time to recover. If we are to close off other avenues of financing campaigns and throw candidates back on single-issue politics with the right direct mailing lists across the country, then we really will damage our system.

So, Mr. President, let us step back and think about this. Let us not pull the teeth from this bill. Let us not, as we begin to seriously debate campaign finance reform, pull the heart and soul out of it by saying we are going to do nothing. We are going to have no inducements left in the bill. We are going to do nothing that would encourage people to accept voluntary spending limits; that we are going to say the sky is the limit, the more millions of dollars you raise, the better.

At the rate we are going, the cost of winning a Senate race has already gone from $600,000 to $4 million in 12 years. Where will it go in the next 12 years? That is a fivefold or a sixfold increase. Is it going to go to $24 million 12 years from now and then have us stand on the floor of the Senate and say it is wonderful, it is good for the system, increase the level of participation?

There are ways to participate in politics, Mr. President, without having money. People who cannot afford to give a $1,000 contribution, thank God, can still participate in politics in this country. They can knock on doors. They can tell their neighbors what they believe. They can go to the polls and vote in a secret ballot. They are not foreclosed from participating in politics.

It is absolute nonsense to say that political participation equates with giving of money. There are things more fundamental in the political process than just giving money. The vote, first and foremost among them.

So, Mr. President, let us not corrupt our political system into a confusion in believing that money, raising and

spending of money, is the heart and soul of the political process. It is not. It is the casting of the vote. It is the forming of an informed judgment. It is the right to speak out and share that judgment with your neighbors that is the heart and soul of the political process. Let us remember our own obligations and let us remember that the elections system itself is fundamental to the legitimacy of all the actions of our Government. And let us do what we can to make that system work.

Mr. MITCHELL. Mr. President, I have discussed this matter with the distinguished Republican leader. We would like to raise with the managers the suggestion of when we might vote on the pending amendment. As all Senators know, it had been our hope and intention that there would be two amendments offered tonight. I know the distinguished Senator from Kentucky has been ready all along to offer a second amendment and indeed has indicated he is still prepared to do so, but the debate on this one took longer than anyone anticipated, through no fault of anyone. It is an important issue that people wanted to discuss, and appropriately so. The debate has been enlightening.

Perhaps it may be most useful to have a vote on this amendment at 8 o'clock. That would give Senators who are not on the Hill a few minutes to be notified and get back for the vote. Then to discontinue for this evening and resume at 9:30 in the morning, at which time another amendment could be offered, either the one that was intended for this evening or some other one, whatever the circumstances are.

I have not had a chance to discuss this with the distinguished Senator from Oklahoma. I want to check with him.

Mr. McCONNELL. It is agreeable with us, Mr. Leader.

Mr. MITCHELL. I invite the comment of the distinguished Republican leader in that regard.

Mr. DOLE. Mr. President, I do not have any problem with that. Someone suggested we could do it either way. I know there are a number of amendments pending. I do not know how many on that side or this side precisely. We have indicated we are going to try to cooperate as far as amendments are concerned in the hope that we will have final disposition.

I think the next amendment would be codifying the Beck decision. Again, if the Senator from Utah, who would offer that amendment, would agree to a very brief time agreement, that might be attractive to the managers.

I think we could vote on this amendment at 8 o'clock. In the meantime, we could decide whether or not we are going to bring up the second amendment. But if not, is the Senator from Utah prepared to do it in the morning at 9:30? Either way I think is satisfactory.

Mr. MITCHELL. Then perhaps for now the best thing to do would be to agree to vote on this at 8 and then go out for the evening and then to come in at 9:30 and be back on the bill tomorrow.

Mr. McCONNELL. Mr. President, I ask for the yeas and nays of my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on or in relation to the pending McConnell amendment occur at 8 p.m. this evening.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Reserving the right to object and I will not object but I have been waiting for an opportunity to speak. I expect to take about 15 minutes at this time.

Mr. MITCHELL. Mr. President, 8 p.m. is 20 minutes from now. I see no objection to the Senator using that time.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? If not, the request is approved.

Mr. MITCHELL. Mr. President, might I ask the remaining 20 minutes be divided 15 minutes to the Senator from Delaware, and 5 minutes to the Senator from Oklahoma? Is that agreeable?

Mr. McCONNELL. Mr. Leader if I could have just a couple minutes to sum up what I believe my amendment is about before we vote.

Mr. MITCHELL. Mr. President, 15 minutes to the Senator from Delaware, 2 minutes to the Senator from Kentucky, 3 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. Under the order the Senator from Delaware is recognized for up to 15 minutes.

Mr. ROTH. Mr. President, I favor campaign finance reform. I favor broad, comprehensive reform. And I favor it now, this year.

It is critical to any discussion of campaign financing reform to understand why reform is necessary. If one does not comprehend the problem, one cannot hope to fashion an effective solution.

One of the major fictions embraced during previous debates on campaign finance reform is that raising campaign funds takes up so much of our precious time that the country suffers as a result. I am hardly persuaded by the argument.

Congress, as an insitution, unfortunately spends most of its time increasing Government spending, increasing Government debt, increasing taxpayer burdens, and increasing the Government's regulatory burdens on private enterprise. It spends the rest of its time wondering why our Nation is not more competitive. A reasonable argument can be made that the Nation would be better off if Congress spent less time making matters worse.

Even more to the point, does anyone seriously imagine that our constituents care how long or how hard we work to raise campaign contributions? It should be obvious that the argument that the concern of the American people about fundraising is the time it takes is offered merely to rationalize public financing. Taxpayer financing of campaigns, of course, saves the candidates all the time they would otherwise spend meeting with people and soliciting funds.

But the time spent is not the problem, except for us, and taxpayer financing is not the solution, except for us. The concern of the American people is not that we deserve just one more perquisite of office—free money to run for reelection. No, we all know better than that.

Mr. President, the concern that makes campaign finance reform necessary is the role of PAC's. If the American people are concerned that PAC's play too great a role, and if as a result we reduce or eliminate PAC participation in political campaigns, the result may well be that we spend even more time raising campaign contributions, from fewer sources.

The public outcry for reform is not generated out of concern for the crowded personal schedules of 100 Senators or even the majority leader's floor agenda. No, the people are concerned about the role of PAC's.

Two years ago we had an opportunity to answer the cry for reform. But we lost that opportunity when a majority of Senators held reform hostage to their insistence that public financing be the keystone reform. Well, the people do not want to give politicians another benefit. Of the people in my State who responded to my poll, 69 percent opposed taxpayer financing. Their position could not be clearer.

Mr. President, it never ceases to amaze me how Members of Congress can claim that the budget deficit is our paramount problem—the cause of our inflation, our lagging economy, and our loss of international competitiveness—yet continually press for increased spending. This is just one more example of this institution's schizophrenia.

Regardless of the merits of taxpayer financing, one thing is clear: Taxpayer financing will kill campaign finance reform. That was demonstrated time and again in the last Congress. The bipartisan academic task force excluded taxpayer financing from its recommendations. No one can doubt that it remains today as a killer provision.

Why then is it a part of the bill pending before us? That should be obvious. It provides security for those who fear the chance we have for real reform. We have an opportunity to lower the cost of campaigning, we have an opportunity to eliminate the role of PAC's, we have an opportunity to close loopholes often used to circumvent source and contribution limits, we have, in short, the opportunity for real reform. But all that will be lost if taxpayer financing is retained.

Spending limits for candidates has been an issue of some controversy as well. However, if we are able to eliminate PAC contributions, close the loopholes, and cut the cost of campaigns by sharply curtailing TV expenditures, then the issue of spending limits becomes virtually moot. The practical issue may be whether candidates can raise sufficient resources rather than exceed some arbitrary limit. If we succeed in foreclosing PAC money, how genuine is the fear that a candidate will receive too many, small, in-State contributions? What is wrong with being popular with the typical voter? What is wrong with citizen participation in the political process? Who among us has constituents who claim they cannot be trusted?

I have no good answer to those questions. I do not think any is possible. If broad reforms are adopted, if we close the loopholes, then spending limits frankly become unnecessary. If we reach this point during our consideration, it would be most unfortunate if all reform were lost over the question of spending limits. And I say that to both parties. If we do right by amending this legislation—if we eliminate PAC contributions and close major loopholes, such as soft money and bundling, while we lower costs, then the prospect of excessive spending should cease to concern either Republicans or Democrats. If we adopt the right reforms, then spending limits become at the same time both harmless and unnecessary. Then spending limits are not worth fighting for or against.

But we have much to do before we get to this point. Among our major tasks is reducing the amount of PAC money and closing the loopholes that make campaign contributions limits largely illusory. The bill before us fails on this score. Recent efforts at compromise give me hope. I am pleased that the Democrats have accepted the Republican proposal to ban PAC's. But what about the soft-money loopholes and the insistence on public financing? There still remains much to be done.

In a representative system of government, it is important that representatives honor their fiduciary responsibility to the electorate. Lest representatives become beholden to any one source of funds, we have legislated limits, yet these limits are easily and regularly circumvented. Soft-money loopholes allow a contributor to give hundreds of thousands of dollars beyond such limits. Incredibly, the bill does not adequately address these central concerns of the electorate.

What good will it do to legislate that PAC's may not give a single dollar to any congressional candidate but allow PAC's and wealthy individuals to give unlimited contributions to benefit such a candidate which are neither reported, counted, nor disclosed? Soft-money loopholes that exist today are not closed by the bill before us.

Charles Keating was able to utilize soft-money loopholes to contribute over a million dollars to a few candidates, with the bulk of that going to a single candidate. That was legal then and remains so under the legislation before us. But it should not be. The loopholes that Keating and scores of others have used must be closed.

The general rule is that there are contribution limits. An individual may give $1,000 to a candidate, and a PAC may give $5,000, under present law. If contribution limits make any sense, why should we continue to allow loopholes for unlimited and undisclosed amounts? Indeed, limits do make sense. I cosponsored the Republican proposal to bring PAC contributions down to zero. While the Democrats have announced that they would accept that language in their bill, they have not similarly agreed to Republican proposals to close the Keating loophole. Until they do, the two PAC proposals are not the same.

The legislation before us provides for spending limits in Senate campaigns. The notion behind spending limits is that too much money is being spent on such campaigns. But it is interesting to note that soft money does not appear on the spending limit radar screen. Soft money does not appear as money, so it can be spent without regard to the proposed limits. If soft money loopholes are not closed and spending limits are imposed, people like Charles Keating will become even more important and more influential in electoral politics. This bill needs work.

I hope that we can move ahead to achieve true campaign finance reform, not only for the Senate but for the House of Representatives as well. But if we do succeed, I would like to caution my colleagues that this reform, like so many others, will experience "a second bounce." If we are able to close off PAC contributions to candidates, where will that money go? Will it dry up?

It is likely that PAC money, if it cannot be given to a candidate, will be spent to benefit the candidate without his or her consent, that is, independently. Under the Supreme Court's decision in Buckley versus Valeo, an individual has a constitutional right to spend one's own money. So nothing in this legislation can stop the phenomenon of independent expenditures. Yes, we can by legislation make sure that such expenditures are truly independent, we can require disclosure, and we can try to offset them, but we cannot stop them by legislation.

That is why the only way to complete reform is through a constitutional amendment. I support a constitutional amendment, not as an alternative to legislation but as a necessary companion to it. I have introduced such an amendment, in this Congress and the last, as an indispensable ingredient in the recipe for complete reform. The problems posed by independent expenditures are not so apparent now because the law allows so many opportunities for individuals and PAC's to contribute to candidates. But to the extent we succeed in addressing the people's concerns in this legislation, to that extent we will underscore the need for a constitutional amendment.

Mr. President, as I look forward to the conclusion of our long efforts on campaign finance reform, I am optimistic. If the majority allows amendments to be offered and debated and voted upon, as they appear to be doing, we will succeed in achieving a good bill.

Let us discuss the elements of a good bill. First, there now seems to be agreement on PAC's. Second, I believe that the McConnell amendment to strike public financing from the bill will prevail. More and more, the taxpayers are voting against taxpayer financing of Presidential elections when they file their tax returns. Now 80 percent vote "no." Third, I am hopeful that soft money loopholes can be closed as well. Fourth, among the major issues, that leaves spending limits as the impasse. This is an issue that, in my opinion, can be compromised.

In hopes of producing a compromise, I offer both sides the following proposal for consideration. The single most significant expenditure of each candidate for office is the cost of television advertising. I propose that each candidate of a political party that has received 5 percent or more of the votes in the preceding election be given a block of free television time. The amount of time would be substantial—enough time for either an incumbent or a challenger to make his or her case to the voters. Each candidate would be free to accept or reject the offer. Of course, he or she would be crazy to reject an offer that would trim the typical campaign budget by more than half and sharply reduce dependence on contributions. If the offer were accepted, the candidate would not be al-

lowed to buy additional television time. There is the spending limit that should please those who are advocates of that position.

But it is a limit on spending that opponents of such limits can accept because it does not involve taxpayer financing or impose overall limits on traditional forms of communication with voters. Under my proposal, candidates for an office could spend different amounts, but if they accepted the free TV time, they would spend the same on TV—nothing at all. Unlike the spending limits imposed in the Presidential system, this limit would not be subject to manipulation or evasion.

There is no question in my mind that this legislation would reduce our spiraling campaign costs and would promote equal opportunity for opposing candidates to make their views known to the people. The only question that one might raise is whether the bill is constitutional. I believe that the bill does pass constitutional muster for the following reasons.

We have historically conditioned the holding of a broadcast license on serving the public interest. To me there is little that can surpass either: First the public interest in reducing campaign costs; or second, the public interest in equalizing the opportunity of candidates to present their views so that elections might hinge on the merits rather than on television advertising advantages.

No one would suggest that if a TV station decided on its own to adopt the policy of this legislation—a limited amount of free TV time and no more—there would be a constitutional problem. The station would only be operating in the public interest. The legislation merely gives definition to that term.

The broadcast media have been compelled to grant access to their channels of communication against their will before. The fairness doctrine and the equal opportunity doctrine are prime examples. They were challenged as unconstitutional in the landmark case of *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367 (1969). The Supreme Court held such compulsory access to be valid, saying that the first amendment as applied to the broadcast media required a balancing of interests with those of the audience paramount. Compelling all sides of an issue to be heard furthers rather than thwarts the ends of the first amendment. Such regulation, the Court said, is permitted under the first amendment because of the scarcity of broadcast frequencies, the use of which is licensed.

Therefore, in my opinion, the proposal is constitutional. While TV stations are sure to complain, it is an opportunity for them to demonstrate their claim that they serve the public interest. Should the proposal somehow inequitably impact on one TV broadcaster more than another, we could require TV broadcasters to get together to equalize the impact of the proposal.

The proposal is feasible. I offer it for consideration in the hope that it will bring about a compromise. There would be a limit on the most significant campaign expenditure of all—TV time, but there would not be a paramount limit so that a candidate who was truly popular with the electorate and received many contributions would not be limited in his ability to spend them.

Mr. President, I favor campaign financing reform. I have outlined the necessary elements of reform. I hope that we can reach an accord on this legislation soon. If we all desire reform, that goal is within our grasp.

I yield the floor.

TAXPAYER FINANCING

Mr. SIMPSON. Mr. President, although the Democrats have substantially improved their own bill by virtue of their agreement to do what we on this side of the aisle have steadfastly advocated—specifically, the elimination of PAC's—there are still some major problems in the Democrat, so-called reform package.

A glaring example of their erroneous approach to campaign finance reform is an idea which is estimated to cost the taxpayer over $400 million per election. I refer to the so-called voluntary checkoff on tax returns in order to finance congressional elections—a concept which is based on the current public funding system for Presidential races. It is called a voluntary system, but there is not much about it that is voluntary when the money ultimately comes from the Federal Treasury. It is true that taxpayers have the opportunity to check or not to check the box for this public campaign fund. But every taxpayer ultimately pays the tab.

The money collected would come straight from the Federal Treasury and it is money that could be used in other critical areas like education, health care, child nutrition, or reducing the deficit. Other taxpayer money must then replenish that which is being earmarked for the Presidential election fund or, if the Democratic bill passed, the congressional election campaign fund. Over the last three Presidential elections, taxpayers have withdrawn $500 million from the Federal Treasury to finance Presidential elections. Lots of interesting candidates are entitled to their share of those Presidential campaign funds. For instance, Lyndon LaRouche is someone who has received millions of taxpayer dollars for promotion of his Presidential ambitions.

It is not an unusual or novel thing for my friends from the other side of the aisle to propose that the Federal Treasury pick up the tab for every good idea in the mind of man. But before they go too far with this one—they should know that the Presidential campaign fund has been a huge failure. The FEC recently notified Congress that the fund may be bankrupt by 1992. The checkoff rate has gone down 30 percent in the last decade. Now, only 20 percent of the citizens have chosen to check the box. That indicates to me that the American taxpayers—or at least 80 percent of them—do realize that there is nothing voluntary about this system and it is their view that the Federal Treasury should not pay for Presidential campaigns. It would therefore, seem logical to me that expanding efforts for an effort to fund an additional 535 congressional races would meet with even less taxpayer enthusiasm. But, nevertheless, here we are.

My Democrat colleagues should wake up and smell the coffee on this issue. The American taxpayers should be allowed to support the candidate of their own choosing, rather than being forced to pay for causes and campaigns of people that they would not voluntarily support. The Democrat proposal is wholly fiscally irresponsible and I urge the adoption of this amendment to strike public financing from the bill.

Mr. LEVIN. Mr. President, I will vote against the McConnell amendment because I believe that the broadcast vouchers, and the payments to candidates in the event of independent expenditures—or in the event that one's opponent exceeds campaign spending limits—are necessary if spending limits are to be effective. The source of the funds for the vouchers and other payments to candidates should be voluntary contributions which individuals can make.

This substitute does not provide that the fund be financed other than by voluntarily and specifically designated contributions.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The Senator from Kentucky.

Mr. McCONNELL. Mr. President, at 8 o'clock, we will be voting on the McConnell amendment. We have had a good debate on it over the last 3 or 4 hours. Let me summarize what it is about.

The President of the United States has said there are two items which, if contained in campaign finance reform, will draw a veto. One is public funding and the other is aggregate spending limits. I inserted into the RECORD earlier today a letter to me dated May 24, signed by him, not by any underling, making that point in clear and unambiguous terms.

The McConnell amendment on which we will vote shortly simply scripts out all taxpayer funding of the underlying proposal. That will save, Mr. President, in the estimate of the Senator from Kentucky, about $160 million a cycle should all candidates comply with the spending limit in the underlying proposal. That is, $21 million in broadcast vouchers for the Senate, $104 million in broadcast vouchers for the House, $5 million in mail subsidies for the Senate, $26 million in mail subsidies for the House.

If a certain number of people choose to exercise their first amendment rights and not comply with aggregate spending limits, the cost of this would be difficult to estimate. It would be an open-ended entitlement program. We have been familiar with those over the years and have enacted them over the years.

I think the estimates in the beginning, should a number of candidates not choose to accept the aggregate spending limits, could run the cost of this from $150 to $310 million, quite possibly on up, depending on how many people choose to exercise their first amendment rights.

Mr. President, a lot of us have made speeches over the years in opposition to taxpayer funding of our political campaigns. If that is our position, we should vote yes on this amendment, which will be before the Senate in 5 minutes. I yield the floor.

The PRESIDING OFFICER. Senator ROTH has yielded his remaining 3 minutes to Senator DOLE.

Mr. DOLE. Mr. President, I thank the Senator from Delaware. I thank the managers.

Mr. President, I want to take a few moments to express my support for the amendment offered by my distinguished colleague from Kentucky, Senator MCCONNELL.

Despite what some may say, the Democratic campaign finance reform proposal still contains two provisions that provide for direct taxpayer-financing of politicians.

The first provision creates something called broadcast vouchers, paid for by Uncle Sam, which would be used to finance campaign TV commercials. Under the Democratic spending limits scheme, participating candidates would be eligible to receive broadcast vouchers totalling 20 percent of the general election spending limit.

Using the general election spending limit for my home State of Kansas, $956,000, that is almost $200,000 of public financing through broadcast vouchers. And that is no small change, at least in the State of Kansas.

The second provision allows direct Treasury outlays to any candidate whose opponent exceeds the general election spending limit. In some instances, this direct outlay of public money could equal the spending limit amount itself.

So, Mr. President, the proponents of the Democratic bill cannot escape the facts.

A duck is a duck. And public financing is public financing, no matter how you dress it up.

LEARNING FROM HISTORY

Mr. President, the last three publicly financed Presidential elections ate up more than $500 million in hard-earned taxpayer money—and what is worse, the system just did not work.

Believe me, I have seen the Presidential system up close. And, today, I am still being audited by the Federal Election Commission, more than 2 years after my own Presidential campaign folded up its tent for good.

The Federal Election Commission has also announced that the Presidential election campaign fund will have a $12.2 million shortfall prior to the 1992 Presidential primaries.

The reason for this shortfall is simple: The $1 tax checkoff on the Federal income tax return is showing a steady decline in taxpayer participation, from a high of 28.7 percent in 1980, to a projected low of 20 percent for 1990.

So, Mr. President, it is very clear that the American people do not want taxpayer-financing of politicians. They do not want public financing, whether it be in the form of direct outlays from the Treasury or broadcast vouchers.

And they do not want campaign finance reform if it means yet another congressional raid on their pocketbooks and wallets.

I urge my colleagues to support the McConnell amendment when we vote.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I think we ought to be clear about what this amendment is really about. As those on both sides of the aisle know, we have taken virtually all the public financing out of this bill. No longer does this bill have it in it. There are grants of cash for those who agree to accept the spending limits. The only elements left in are vouchers for television advertising of a certain kind, a concept that originally came from the other side of the aisle, to try to lift the level of discussion in political campaigns, lower unit mailing rates and, again, a proposal widely favored by many on the other side of the aisle. The essence of it, however, is to pull the teeth out of all the incentives for people to accept voluntary spending limits, to have nothing in the bill, no penalty that would come into play, no set of inducements that would be effective for people to accept spending limits.

Under the Supreme Court decision, we have to have voluntary spending limits and, therefore, for spending limits to be effective, there should be inducements for people to enter into acceptance of these spending limits. Let us be clear about what we are talking about. We are not talking about public financing, we are talking about whether or not we can have a bill with effective spending limits in it.

Mr. President, the American people have been very clear about it. The American people, 85 percent of them in a recent poll, said we are concerned about money, money, more money and too much money being pumped into political campaigns.

There is an appearance that money is swaying decisions made in the Congress of the United States. There is an appearance of who can raise the most money determines who can win an election. There is an appearance the challengers are kept out of the system because incumbents can raise over $2 for every $1 that challengers can raise.

That is what this amendment is all about. Money, money and more money. Not public money, but whether or not there will be anything done to stop the money chase, whether or not there can be anything done to stop runaway campaign spending and get politics in this country back on a competitive basis on ideas and qualifications and get it away from a competition based upon which candidate can raise the most money.

That is what this amendment is about. It is fundamental to the bill. It is an attempt to completely destroy the mechanism in the bill to encourage candidates to accept spending limits and get American politics back on the basis it should be, and that is a competition on ideas and qualifications.

I urge my colleagues to vote against the amendment and preserve a framework under which we can get spiraling spending under control. The Senator from Missouri said we must do something to control costs.

You cannot control costs unless you control spending. Even if you get the cost of the average television spot reduced, if you do nothing to control spending, candidates will simply buy more and more spots, even if they are at a lower rate. So if we are going to control costs, we must do something to stop the spiraling, runaway spending in campaigns.

I urge my colleagues to defeat this amendment, and let us move forward toward true campaign reform.

Mr. BIDEN. Mr. President, will the Senator yield me 10 seconds?

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Kentucky.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona [Mr. DECONCINI], the Senator from Alabama [Mr. HELFIN], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island, [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. DECONCINI] and the Senator from Rhode Island [Mr. PELL], would each vote "nay."

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] is necessarily absent.

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

The result was announced—yeas 46, nays 49, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—46

Bond	Grassley	Murkowski
Boschwitz	Hatch	Nickles
Burns	Hatfield	Packwood
Chafee	Heinz	Pressler
Coats	Helms	Roth
Cochran	Hollings	Rudman
Cohen	Humphrey	Simpson
D'Amato	Jeffords	Specter
Danforth	Kassebaum	Stevens
Dole	Kasten	Symms
Domenici	Lott	Thurmond
Durenberger	Lugar	Wallop
Exon	Mack	Warner
Garn	McCain	Wilson
Gorton	McClure	
Gramm	McConnell	

NAYS—49

Adams	Dodd	Metzenbaum
Akaka	Ford	Mitchell
Baucus	Fowler	Moynihan
Bentsen	Glenn	Nunn
Biden	Gore	Pryor
Bingaman	Graham	Reid
Boren	Harkin	Riegle
Bradley	Inouye	Robb
Breaux	Johnston	Rockefeller
Bryan	Kennedy	Sanford
Bumpers	Kerrey	Sarbanes
Burdick	Kerry	Sasser
Byrd	Kohl	Shelby
Conrad	Lautenberg	Simon
Cranston	Leahy	Wirth
Daschle	Levin	
Dixon	Lieberman	

NOT VOTING—5

Armstrong	Heflin	Pell
DeConcini	Mikulski	

So the amendment (No. 2433), as modified, was rejected.

Mr. BOREN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

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

MORNING BUSINESS

Mr. BOREN. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

MESICK CENTENNIAL 1890-1990

Mr. LEVIN. Mr. President, I rise to commend the village of Mesick, MI, which will be celebrating its centennial in August.

The village of Mesick, occupying 1 square mile in the heart of Michigan, lies in the geographic center of the State. Founded by brothers Howard and Walter Mesick it is today a scenic community celebrating a tradition of family values first instilled by its original homesteaders Howard and Eleanor Mesick in 1890. Mesick serves as a model for Michigan families.

Mesick's tourist trade is anchored by the Hodenpyle Dam with nearby campgrounds that, along with a special brand of hospitality, helps attract visitors and business worth more than $1 million annually.

Many of Mesick's 450 residents are employed in the automotive parts industry, the backbone of Michigan production. The second largest village employer is the high school, acknowledging the importance of education and training for the future.

Mesick, MI, is grassroots American. It is a pleasure to acknowledge this important event as the village of Mesick celebrates its 100th year.

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

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

MESSAGES FROM THE HOUSE

At 6:01 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 77. Joint resolution recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emittsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 293. An act to direct the completion of the research recommended by the Technical Study Group on Cigarette and Little Cigar Fire Safety and to provide for an assessment of the practicality of a cigarette fire safety performance standard.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 30, 1990, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 339. Joint resolution to designate August 1, 1990, as "Helsinki Human Rights Day."

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-3370. A communication from the United States Trade Representative, transmitting, pursuant to law, the annual report identifying export subsidies and other export enhancing techniques; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3371. A communication from the Director of the United States Information Agency, transmitting, pursuant to law, a violation of the Antideficiency Act in Kathmandu, Nepal; to the Committee on Appropriations.

EC-3372. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, a draft of proposed legislation to amend the Department of Defense Authorization Act, 1987, to extend the time for implementation of the system health care enrollment for covered CHAMPUS beneficiaries; to the Committee on Armed Services.

EC-3373. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Japan for Defense Articles estimated to cost $50 million or more; to the Committee on Armed Services.

EC-3374. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Japan for Defense Articles estimated to cost $50 million or more; to the Committee on Armed Services.

EC-3375. A communication from the Director of Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Japan for Defense Articles estimated to cost $50 million or more; to the Committee on Armed Services.

EC-3376. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report describing the status of multifamily housing; to the Committee on Banking, Housing, and Urban Affairs.

EC-3377. A communication from the President of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on its position with respect to establishing a loan loss reserve; to the Com-

mittee on Banking, Housing, and Urban Affairs.

EC-3378. A communication from the Secretary of Commerce, transmitting, pursuant to law, six copies of a draft of proposed legislation entitled the "Technology Transfer Improvements Act of 1990"; to the Committee on Commerce, Science, and Transportation.

EC-3379. A communication from the Secretary of the Interior, transmitting, pursuant to law, receipt of a project proposal from the Schuk Toak District, Tonohono O'Odham Nation for a loan; to the Committee on Energy and National Resources.

EC-3380. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the building project survey for Beaver County, Pennsylvania; to the Committee on Environment and Public Works.

EC-3381. A communication from the Deputy Assistant Attorney General of the U.S. Department of Justice, transmitting, pursuant to law, a draft of proposed legislation entitled the "Alien Witness Cooperation Act of 1990"; to the Committee on the Judiciary.

EC-3382. A communication from the Secretary of the Department of Education, transmitting, pursuant to law, a study of College Tutoring Programs for the Disadvantaged; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with amendments:

H.R. 5256. A bill to amend the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act, and for other purposes (Rept. No. 101-401).

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1289. A bill to improve the management of forests and woodlands and the production of forest resources on Indian lands, and for other purposes (Rept. No. 101-402).

S. 2340. A bill to develop and improve child protective service programs on Indian reservations and to strengthen Indian families (Rept. No. 101-403).

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. HATCH:

S. 2934. A bill to improve access to, and the quality of health care, to grants to States to encourage States to improve their systems for compensating individuals injured in the course of the provisions of health care services, to establish uniform criteria for awarding damages in health care malpractice actions, to improve the efficiency of State health care professional disciplinary systems, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEFLIN:

S. 2935. A bill to authorize issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel *Western Surf.*

By Mr. EXON:

S. 2936. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1990, 1991, and 1992, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. STEVENS:

S. 2937. A bill to authorize a certificate of documentation for the vessel *Ocean Prowler;* to the Committee on Commerce, Science, and Transportation.

S. 2938. A bill to authorize a certificate of documentation for the vessel *Sea Nugget;* to the Committee on Commerce, Science, and Transportation.

S. 2939. A bill to authorize a certificate of documentation for the vessel *Swee' Pea;* to the Committee on Commerce, Science, and Transportation.

S. 2940. A bill to authorize a certificate of documentation for the vessel *Ghost Rider;* to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 2941. A bill to reform and restore integrity to the Federal reclamation system; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 2934. A bill to improve access to, and the quality of health care, to provide grants to States to encourage States to improve their systems for compensating individuals injured in the course of the provision of health care services, to establish uniform criteria for awarding damages in health care malpractice actions, to improve the efficiency of State health care professional disciplinary systems, and for other purposes; to the Committee on Labor and Human Resources.

ENSURING ACCESS THROUGH MEDICAL LIABILITY REFORM ACT

Mr. HATCH. Mr. President, I rise today to introduce legislation which will address one of the major problems with our health care system—medical liability. Not only are we paying about $7 billion each year in direct medical liability costs, but we are also paying billions each year for unnecessary defensive medicine that is the result of the fear of litigation.

While some years have been worse than others, we have had a medical malpractice crisis on our hands for the last decade. We know there is a crisis—there are 900 new malpractice lawsuits every day. The average award for cases amounts to $300,000.

Joseph Califano, Secretary of Health and Human Services during the Carter administration, estimated that medical liability adds as much as 25 percent to the cost of health care in this Nation. Just think of it—a routine inoculation that should have cost only $10 really costs $12.50, or you pay $125 for a physical checkup that should cost $100. In addition, a study by the American Medical Association found that a significant proportion of doctors order many more tests, procedures, and consultations than are medically necessary. They are forced to practice defensive medicine.

This crisis is not only affecting the cost but also the quality and availability of health care. Physicians are refusing to do high risk procedures and to accept high risk patients. They have stopped delivering babies because of liability concerns. Women today do not have to worry merely about finding affordable pregnancy-related care; they have to worry about finding care at all. For example, in Utah, more than half of the general and family practitioners have quit delivering babies. Expectant mothers from our rural areas and small communities must often travel an extra 100 to 150 miles for care.

The time has come to stop debating whether there is a medical liability problem. It is time to admit that medical liability has had a decidedly negative impact on Americans' access to quality health care. Instead, we must move forward to enact solutions.

In the past, I believed that medical liability reform should be addressed by the States. Today, however, the Federal Government pays between 40 and 50 percent of the health care costs in this country. The taxpayers deserve our attention to this major cause of rising health care costs. If we could save just part of the resources that are wasted because of the medical liability problem, we could begin to remedy this country's health care access problem without raising taxes, mandating health insurance, or adopting other forms of national health insurance that would limit individual choices.

Last June, I introduced the Comprehensive and Uniform Remedy for the Health Care System Act of 1989, the CURE bill, as part 1 of a comprehensive legislative package which will reform our health care system. Today, I am pleased to introduce another part of this package, "Ensuring Access Through Medical Liability Reform Act." In brief, this legislation does the following:

Provides protection for patients by strengthening the activities of State licensing and disciplinary agencies. When a health care provider is negligent, quick remedial and punitative action must occur.

Enhances the quality of health care by improving State programs for educating health professionals and the public about medical injury prevention and the appropriate use of the health care system.

Provides for medical liability reforms including mandatory periodic payment of future awards, limits on awards for noneconomic damage, reducing awards by the amount of compensation from collateral sources, and limiting attorneys' contingency fees;

Provides funds for State alternative dispute resolution demonstration projects such as fault-based, no-fault, or binding arbitration systems; and,

Provides malpractice insurance relief for migrant and community health centers by establishing a national risk retention group.

This legislation was developed with the help of a broad coalition representing health care provider organizations, the business community, health insurers, and other groups. This coalition came together at my request, and I am grateful to them for their efforts. Their expertise, time, and support were invaluable. I have asked several representatives of the coalition to speak this morning about the problems of access to health care and medical liability and to be available to answer your questions.

I do not want to protect those who commit malpractice. I am not interested in providing a screen for incompetent doctors to hide behind. But to me, the bottomline of this legislation is that no child, no pregnant woman, no accident victim, and no senior citizen should be denied health care merely because we have not found a way to protect honest and skilled health care professionals from the threat of malpractice.

Today, medical liability is rooting out good practitioners and driving up costs for everyone. It is adversely affecting Americans' access to quality and affordable health care. The measure I am introducing is important because it restores the balance between the need to provide civil recourse for consumers with the increasing need to get a handle on the unnecessary and wasteful costs of defensive medicine and to ensure access to health care for all Americans.

I hope my colleagues will join me in cosponsoring this important legislation. Mr. President, I ask unanimous consent that a copy of the bill and a copy of the summary be printed in the RECORD.

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

S. 2934

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 "Ensuring Access Through Medical Liability Reform Act."

FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that:

(1) In recent years, there has been increasing and widespread public and professional concern about the problems associated with health care malpractice actions and health care negligence. Such concern has focussed primarily on the issues of—

(A) the reduction in access of patients to quality health care as a result of these problems;

(B) the increasing portion of health care costs attributable to defensive health care practices and the costs of health care liability insurance premiums;

(C) the ability of health care professionals to continue to practice in high risk areas of health care treatment;

(D) the inefficiency of the civil judicial system in providing access to the courts and fair compensation for individuals injured by health care negligence and in deterring such negligence; and

(E) the inefficiency of State disciplinary systems in restricting the activities of health care professionals who endanger patient safety.

(2) All health care consumers are adversely affected, directly or indirectly, by the effect that the problems associated with health care malpractice actions and health care negligence have on the availability and affordability of health care services.

(3) Regardless of whether the solution to the problems associated with health care malpractice actions and health care negligence is the responsibility of public or private sectors, or a combination of these, the Federal Government has a major interest in these problems as a direct provider of health care to many Americans through the Public Health Service, and as a source of payment for the health care of a much larger number of Americans through Medicare, Medicaid and other programs.

(4) Health care liability issues have created tensions among the professions of law and medicine, the insurance industry, and consumers of health care services, and these tensions have impeded the development and implementation of solutions.

(5) The civil judicial system is a costly and inefficient mechanism for resolving claims of health care negligence and compensating injured patients. A disproportionately large percentage of dollars spent to compensate patients for health care negligence is distributed to a few patients, while adequate compensation is not provided to most patients injured by health care negligence. In addition, far too little of the amounts paid by health care professionals and health care providers for liability insurance premiums is received by injured patients.

(6) California's reform of medical liability tort law has demonstrated that modification of existing tort law governing health care malpractice actions can bring stability and predictability with respect to the size of awards and slow the increase of health care liability insurance premiums.

(7) The Department of Health and Human Services' 1987 Task Force on Medical Liability and Malpractice was correct in recommending that the Federal Government and State governments explore, through research and demonstration projects, alternative dispute resolution mechanisms that have the potential for resolving health care negligence claims more fairly and cost-effectively than the current civil judicial system, for promoting patient safety, and for deterring health care negligence.

(8) A variety of proposals to solve the problems of health care liability and health care negligence can be implemented, studied and evaluated by using the States as laboratories in which to develop and explore various alternative dispute resolution systems.

(b) PURPOSE.—It is the purpose of this Act to—

(1) improve the quality of health care through the deterrence of avoidable injuries and the detection of health care providers and health care professionals who commit health care negligence or otherwise endanger patient safety;

(2) improve the availability of health care services in cases in which health care malpractice actions have been shown to be a major factor in the decreased availability of services;

(3) expeditiously identify patients eligible to receive compensation for injuries and deliver such compensation more quickly and more efficiently than the civil judicial system; and

(4) improve the fairness and cost-effectiveness of the State system to resolve disputes over, and provide compensation for, health care negligence by reducing uncertainty and unpredictability in the amount of compensation provided to injured individuals.

DEFINITIONS

SEC. 3. For purpose of this Act:

(1) The term "alternative dispute resolution system" means a system which—

(A) is enacted or adopted by a State to resolve disputes involving health care negligence other than through a health care malpractice action;

(B) applies to one or more types of injuries resulting from health care negligence;

(C) applies to one or more political subdivisions of a State or to the entire State; and

(D) which meets the requirements of subsection (b), (c), (d), (e) or (f) of section 6.

(2) The term "economic losses" means losses for hospital and medical expenses, lost wages, lost employment, and other pecuniary losses incurred by an individual as a result of health care negligence.

(3) The term "health care professional" means any individual who provides health care services in a State and who is required by State law or regulation to be licensed or certified by the State to provide such services in the State.

(4) The term "health care provider" means any organization or institution that is engaged in the delivery of health care services in a State and that is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State.

(5) The term "health care malpractice action" means a civil action brought against a health care provider or health care professional alleging that an injury was suffered by the plaintiff as the result of health care negligence.

(6) The term "injury" means an injury, illness, disease, or other harm suffered by an individual as a result of the provision of health care services by a health care provider or health care professional.

(7) The term "health care negligence" means an act or omission by a health care provider or a health care professional which deviates from the applicable State standard of care and causes an injury.

(8) The term "noneconomic losses" means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, and other nonpecuniary losses incurred by an individual as a result of health care negligence.

(9) The term "Secretary" means the Secretary of Health and Human Services.

(10) The term "State" means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

DEVELOPMENT GRANTS

SEC. 4. (a) IN GENERAL.—The Secretary shall make grants to States for the development of alternative dispute resolution systems. A grant made under this section shall be used by a State to develop such a system

and to engage in activities to accomplish the enactment or adoption of the system.

(b) APPLICATION.—No grant may be made under this section unless an application is submitted to the Secretary. Any such application shall—

(1) be submitted to the Secretary within 365 days after the date of enactment of this Act;

(2) contain assurances that the State intends to obtain enactment or adoption of an alternative dispute resolution system in order to qualify for incentive grants under section 5; and

(3) contain such other information, be in such form, and be submitted in such manner, as the Secretary may prescribe.

(c) AMOUNT OF GRANT.—

(1) The amount of a grant under this section to a State shall be in such amount as the Secretary determines to be sufficient based upon the application to develop the alternative dispute resolution system which is the subject of the application, except as provided in paragraph (2).

(2) Notwithstanding paragraph (1)—

(A) the amount of a grant under this section to a State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) shall not exceed $250,000; and

(B) the amount of a grant under this section to the Commonwealth of Puerto Rico, Guam, or the Virgin Islands shall not exceed $150,000.

(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States in planning and carrying out activities relating to grants under this section.

INCENTIVE GRANTS

SEC. 5. (a) IN GENERAL.—The Secretary shall make grants to States for the implementation of alternative dispute resolution systems. A grant received by a State under this section shall be used by the State to implement and evaluate the effectiveness of such a system.

(b) APPLICATION.—No grant may be made under this section unless an application is submitted to the Secretary. Any such application shall—

(1) be submitted to the Secretary within three years after the date of enactment of this Act;

(2) contain a certification by the chief executive officer of the State that, on the date the application is submitted, the State has enacted, adopted, or otherwise has in effect an alternative dispute resolution system;

(3) be accompanied by documentation to support the certification required by paragraph (2), including copies of relevant State statutes, rules, procedures, regulations, judicial decisions, and opinions of the State attorney general;

(4) contain a proposal for the time period for which the grant will be made and for which the provisions of subsection (e) will apply to the grant;

(5) contain a plan for the evaluation of the alternative dispute resolution system, which shall include—

(A) a statement of the objectives of such system;

(B) an identification of performance and outcome indicators related to such objectives;

(C) a description of accounting and recordkeeping procedures designed to collect data on the alternative dispute resolution system which are related to such indicators;

(D) a description of the manner in which the evaluation will determine whether the alternative dispute resolution system achieves one or more of the purposes of this Act described in section 2(b);

(E) an estimate of the costs of the evaluation; and

(F) a time frame for the completion of the evaluation; and

(6) contain such other information, be in such form, and be submitted in such manner, as the Secretary may require.

(c) REVIEW OF APPLICATIONS.—

(1) Within 90 days after receiving an application under subsection (b), the Secretary shall review the application and determine whether the application demonstrates that the State has enacted, adopted, or otherwise has in effect an alternative dispute resolution system. If the Secretary determines that the application makes such a demonstration, the Secretary shall approve the application. In approving an application under this section, the Secretary shall determine the time period for which the grant is made and for which the provisions of subsection (e) shall apply to such grant.

(2) If, after revising an application under paragraph (1), the Secretary determines that the application does not make the demonstration required under such paragraph, the Secretary shall, within 15 days after making such determination, provide the State which submitted such application with a written notice which specifies such determination and which contains recommendations for revisions which would cause the application of the State to be approved.

(d) GRANT AMOUNT.—

(1) Within 30 days after approving an application of a State under subsection (c), the Secretary shall pay to the State a grant in the amount determined under paragraph (2) or (3), as the case may be.

(2) The amount of a grant under this section to a State shall be 75 percent of an amount which the Secretary finds reasonable and necessary for the implementation and evaluation of the alternative dispute resolution system of the State, except as provided in paragraph (3).

(3) Notwithstanding paragraph (2)—

(A) the amount of a grant under this section to a State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) shall not exceed $10,000,000; and

(B) the amount of a grant under this section to the Commonwealth of Puerto Rico, Guam, or the Virgin Islands shall not exceed $2,000,000.

(e) NONCOMPLIANCE.—If, during the time period determined by the Secretary under subsection (c)(1) that this subsection applies to an application approved under this section, the Secretary determines that the State does not have in effect the alternative dispute resolution system for which the application was approved, the Secretary shall provide the State with written notice of such determination. Such notice shall specify—

(1) the reasons for the determination of the Secretary;

(2) that the Secretary shall require the State, within 60 days after receipt of such notice, to return all funds provided to the State under the grant which have not been expended by the State at the time such notice is received unless the State—

(A) takes such corrective action as may be necessary to ensure that such alternative dispute resolution system is in effect in the State; or

(B) requests a hearing under paragraph (3); and

(3) that the State may request a hearing on the record before an administrative law judge under section 554 of title 5, United States Code, concerning the allegations set forth in the notice.

ALTERNATIVE DISPUTE RESOLUTION SYSTEMS

SEC. 6. (a) IN GENERAL.—An alternative dispute resolution system shall meet the requirements of subsection (b), (c), (d), (e), or (f).

(b) FAULT-BASED ADMINISTRATIVE SYSTEMS.—

(1) A State may establish an administrative process within the State government for the resolution of disputes concerning health care negligence. In lieu of filing a health care malpractice action, an injured individual (or the parent or guardian of such an individual) shall be required to file a health care negligence claim with the State administrative process. The process shall provide for the dismissal of nonmeritorious health care negligence claims and shall provide for the award of damages when an injury is found to have been caused by health care negligence.

(2) The administrative process shall provide for—

(A) an expedited review of all health care negligence claims filed;

(B) a procedure for early dismissal of health care negligence claims when the expedited review process does not support a finding of possible liability;

(C) the opportunity for claim investigation and a meaningful hearing on claims with possible merit before an administrative officer or panel; and

(D) the opportunity for appellate review of the administrative decision within the administrative process.

(3) The State shall provide that judicial review of the final administrative decision on a health care negligence claim is limited to avoid duplication of the administrative process in the courts. The State shall provide that—

(A) judicial review of the final administrative decision may not extend to de novo consideration of the underlying facts of a health care negligence claim resolved in the administrative process; and

(B) if a court determines that an issue of fact requires resolution, the court must remand to the State agency which conducted the administrative process for resolution of the issue.

(4) The State shall provide that the administrative process include a simplified process for filing health care negligence claims. The State shall guarantee access to the process and legal representation for all individuals with nonfrivolous claims, regardless of the economic resources of the individual or the monetary value of the individual's alleged claim.

(5) The State shall establish procedures—

(A) to ensure that the administrative process is coordinated with or monitored by the health care provider and health care professional licensing and disciplinary authorities of the State; and

(B) for the routine referral to such authorities of findings and decisions of the administrative process that indicate that health care negligence occurred.

(6) The State shall provide that under the administrative process, payment is made for economic losses and noneconomic losses. Payment for noneconomic losses shall be calculated using a formula or guidelines established by the State. Section 9(a) of this Act or such other reform provisions that accomplish the same results shall apply to health care negligence claims resolved

through the administrative process. The State shall establish programs offering legal assistance to persons with meritorious claims, in order to assure access to affordable legal representation in the administrative process.

(7) The State shall empower any administrative hearing officer or panel used in the administrative process to call independent experts not retained by a party to give evidence. The State shall provide that if called, experts are subject to cross-examination by all parties.

(c) DEFINED CATASTROPHIC INJURY COMPENSATION SYSTEMS.—

(1) A State may provide a system under which the State establishes a compensation fund to compensate all individuals who incur a certain injury (as defined by the State) in the course of receiving health care services. The State shall provide that if an individual incurs such an injury, the individual may only receive compensation for such injury by filing a claim with the State for compensation from such fund, and that such individual may not file a health care malpractice action in any State or Federal court for damages resulting from such injury.

(2) The State shall establish procedures for an individual to file a compensation claim for the defined injury. No payment may be made from the fund for an individual unless such individual (or the patent or guardian of such individual) complies with such procedures.

(3) The State shall ensure that such procedures allow an individual to file and pursue a claim without the assistance of counsel or to retain counsel if the individual chooses. Final determinations on a claim shall be made within 6 months after the date on which the claim is filed.

(4) The State shall provide compensation payments from the compensation fund for economic losses. Section 9(a)(3) shall apply to payments for economic losses from the compensation fund. The State shall pay for future economic losses as such losses are incurred. The State may elect to pay injured individuals for noneconomic losses from the compensation fund according to a schedule established by the State.

(5) The State may require that funding for the compensation fund be paid by health care providers and professionals that engage in the health care treatment or procedure which results in the injury covered by the fund. The State may establish requirements for additional sources of payments into the fund, including patient contributions or contributions made by employees covered by health care insurance plans. The State shall establish procedures for employers to pay for contributions of employees, if appropriate.

(6) The State shall establish a quality review mechanism to review claims filed with the fund and identify instances of health care negligence. The State shall provide for the routine referral by the quality review mechanism to health care provider and health care professional licensing and disciplinary authorities of the State of findings that indicate that health care negligence occurred.

(d) EARLY OFFER AND RECOVERY MECHANISM.—

(1) The State may establish a system under which health care providers and professionals have the option to offer, within a specified time period after an injury or, in certain circumstances determined by the State, after the initiation of a health care malpractice action, to compensate an individual for economic losses, in accordance with this subsection.

(2) Under such a system, the offer may include other health care providers or professionals who were involved in the provision of health care services, with their consent. The State shall provide that the participants use arbitration to determine their relative contribution to payments made to the individual.

(3) Section 9(a)(3) shall apply to the determination of an individual's economic losses for purposes of the system established under paragraph (1). Future economic losses shall be payable to the individual as they occur.

(4) The State shall provide that, if after receiving an offer under this subsection, the individual alleging an injury disputes the amount of the economic losses for which the offerors propose to provide compensation, the dispute over the amount at such offer shall be resolved by binding arbitration in accordance with rules and procedures established by the State.

(5)(A) If an individual—

(i) receives an offer under this subsection;

(ii) rejects such offer after all issues with respect to the amount of economic losses suffered by such person have been resolved under paragraph (4) or refuses to participate in arbitration under such paragraph; and

(iii) initiates a health care malpractice action against one or more persons who made such offer, the provisions of subparagraph (B) shall apply to such health care malpractice action.

(B) In any health care malpractice action to which subparagraph (A) applies—

(i) the plaintiff may only prevail if the plaintiff has proven each element of his case beyond a reasonable doubt;

(ii) with respect to claims of negligence, the plaintiff must establish that a defendant was grossly negligent; and

(iii) the amount of damages for noneconomic losses which a plaintiff may recover with respect to an injury shall not exceed $150,000.

(e) BINDING ARBITRATION.—

(1) The State may establish a system under which, prior to treatment, health care providers and professionals offer their patients an opportunity to enter into an agreement to arbitrate any claim of health care negligence.

(2) The State shall provide that an individual's consent to an agreement to arbitrate is not a prerequisite to the provision of health care services. The State shall provide that this subsection does not apply to a contract for binding arbitration between a health care entity which agrees to provide comprehensive medical care to voluntary enrolled patients for a predetermined annual fee and its patients or members.

(3) The State shall provide that an arbitration agreement may be revoked by the patient within fifteen days after the date on which the patient signs the agreement, except that the patient may not revoke the agreement after the health care services were provided. The health care provider or professional may not revoke the agreement to arbitrate. The agreement shall be binding as to any cause of action that accrues prior to revocation of the agreement. The State shall provide that this subsection does not apply to a contract for binding arbitration between a health care entity which agrees to provide comprehensive medical care to voluntarily enrolled patients for a predetermined annual fee and its patients or members.

(4) The State shall provide that a health care malpractice action cannot be brought with respect to an alleged injury if an arbitration agreement under this subsection with respect to such injury is in effect at the time of such injury. Section 9(a) of this Act shall apply to health care negligence claims resolved through an arbitration process.

(5) The State shall provide that any arbitration agreement entered into under this subsection must include, in boldfaced print, a notice that—

(A) by signing the agreement, the patient is giving up the patient's right to the initiation or hearing of a health care malpractice action;

(B) the patient may revoke the arbitration agreement within 15 days after the date on which the patient signs the agreement, except that the patient may not revoke the agreement after health care services are provided; and

(C) signature of the agreement by the patient cannot be required by the health care provider or health care professional as a prerequisite to the provision of health care services. The State shall provide that this subparagraph does not apply to a contract for binding arbitration between a health care entity which agrees to provide comprehensive medical care to voluntarily enrolled patients for a predetermined annual fee and its patients or members.

(6) The State shall provide that an arbitration panel consist of three arbiters. One arbiter shall be chosen by the individual alleging a claim of health care negligence. One arbiter shall be chosen jointly by all health care providers and health care professionals who are parties to the agreement to arbitrate. The third arbiter, who shall chair the panel, shall be chosen by the other two arbiters.

(7) Appeal of the decision of the arbitration panel shall be pursuant to the rules and procedures of chapter 1 of title 9, United States Code.

(f) STATE INITIATED ALTERNATIVE.—The Secretary may approve an application for a grant under section 4 or section 5 for an alternative dispute resolution system proposed by a State which does not meet the requirements of subsection (b), (c), (d), or (e), if the Secretary determines such system would accomplish the purposes of this Act described in paragraphs (1) through (4) of section 2(b) and meets the requirements of Section 9(a).

RESEARCH GRANTS

SEC. 7. (a) IN GENERAL.—The Secretary shall make grants to States and private nonprofit organizations for the conduct of basic research in the prevention of a compensation for injuries resulting from health care professional or health care provider negligence. In making such grants, the Secretary shall give particular consideration to applications for research on the behavior of health care providers, health care professionals, and other participants in systems for compensating individuals injured by health care negligence, the effects of financial and other incentives on such behavior, the determinants of compensation system outcomes, and the costs and benefits of alternative compensation policy options.

(b) APPLICATION.—No grant may be made under this section unless an application is submitted to the Secretary at such time, in such form, in such manner, and containing

such information as the Secretary may require.

DISCIPLINARY AND EDUCATIONAL GRANTS

SEC. 8. (a) DISCIPLINE.—The Secretary shall make grants to States to assist States in improving the State's ability to license and discipline health care professionals. Grants awarded under this subsection may be used to develop and implement improved mechanisms for monitoring the practices of health care professionals or for conducting disciplinary activities.

(b) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to the States to assist them in evaluating their medical practice acts and procedures and to encourage the use of efficient and effective early warning systems and other mechanisms for detecting practices which endanger patient safety and for disciplining health care professionals.

(c) EDUCATION.—The Secretary shall make grants to States, local governments, and private nonprofit organizations for—

(1) educating the general public about the appropriate use of health care and realistic expectations of medical intervention;

(2) educating the public about the resources and role of health care professional licensing and disciplinary boards in investigating claims of incompetence or health care negligence; and

(3) developing programs of faculty training and curricula for educating health care professionals in quality assurance, risk management, and medical injury prevention.

(d) APPLICATIONS.—No grant may be made under subsection (a) or (c) unless an application is submitted to the Secretary at such time, in such form, in such manner, and containing such information as the Secretary shall require.

FEDERAL REFORMS

SEC. 9. (a) CIVIL ACTIONS.—

(1) This subsection shall govern any health care malpractice action brought in any Federal or State court.

(2) No person may be required to pay for future damages exceeding $100,000 in a single payment, but such person shall be permitted to make such payments on a periodic basis. The periods for such payments shall be determined by the court, based upon projections of when damages are likely to occur.

(3)(A) The total amount of damages received by an individual shall be reduced, in accordance with subparagraph (B), by any other payment which has been made or which will be made to such individual to compensate such individual for an injury, including payments under—

(i) Federal or State disability or sickness programs;

(ii) Federal, State, or private health insurance programs;

(iii) private disability insurance programs;

(iv) employer wage continuation programs; and

(v) any other source of payment intended to compensate such individual for such injury.

(B) The amount by which an award of damages to an individual for an injury shall be reduced under subparagraph (A) shall be—

(i) the total amount of any payments (other than such award) which have been made or which will be made to such individual to compensate such individual for such injury, minus

(ii) the amount paid by such individual (or by the spouse, parent, or legal guardian of such individual) to secure the payments described in clause (i).

(4) The total amount of damages which may be awarded to an individual and the family members of such individual for past and future noneconomic losses resulting from an injury may not exceed $250,000, regardless of the number of health care professionals and health care providers against which such individual or family members bring one or more health care malpractice actions.

(5) Attorneys' fees shall not exceed 50 percent of the first $50,000 of any award or settlement, 33.33 percent of the next $50,000, 25 percent of the next $100,000, and 10 percent of any additional amounts in excess of $200,000.

(6)(A) The relevant statute of limitations shall begin to run at the time of the alleged health care negligence which is the basis for a health care malpractice action, except as provided in subparagraph (B).

(B) In the case of a minor, the relevant statute of limitations shall begin to run on the later of—

(i) the date on which the alleged health care negligence occurred; or

(ii) the date on which the minor attains six years of age.

(b) DISCIPLINARY REFORMS.—Each State shall allocate the total amount of fees paid to the State in each year for the licensing or certification of each type of health care professional, or an amount of State funds equal to such total amount, to the State agency or agencies responsible for the conduct of disciplinary actions with respect to such type of health care professional.

(c) PROVIDER RISK MANAGEMENT.—Each State shall require each health care provider in a State which—

(1) directly receives funds under any Federal law, regulation, or program; or

(2) receives Federal funds for or on behalf of an individual in payment for services rendered to such individual, to have in effect a risk management program to prevent and provide early warning of practices which may result in injuries to patients or which otherwise may endanger patient safety.

(d) INSURER RISK MANAGEMENT.—Each State shall require each company which provides health care professional liability insurance to health care professionals in the State to—

(1) establish risk management programs based on data available to such company or sanction programs of risk management for health care professionals provided by other entities; and

(2) require each such professional, as a condition of maintaining insurance, to participate in one program described in paragraph (1) at least once in each three-year period.

(e) ROLE OF PROFESSIONAL SOCIETIES.—

(1) Each State shall authorize the State agency responsible for the conduct of disciplinary actions for a type of health care professional to enter into agreements with State or county professional societies of such type of health care professional to permit the review by such societies of any health care malpractice action, health care negligence claim or allegation, or other information concerning the practice patterns of any such health care professional. Any such agreement shall comply with paragraph (2).

(2) Any agreement entered into under paragraph (1) for the review of any health care malpractice action, health care negligence claim or allegation, or other information concerning the practice patterns of a health care professional shall—

(A) provide that the health care professional society conduct such review as expeditiously as possible;

(B) provide that after the completion of such review, such society shall report its findings to the State agency with which it entered into such agreement and shall take such other action as such society considers appropriate; and

(C) provide that the conduct of such review and the reporting of such findings be conducted in a manner which assures the preservation of confidentiality of health care information and of the review process.

(3) The State shall provide that any activity conducted pursuant to an agreement under this subsection shall not be grounds for any civil or criminal action under the antitrust laws of the State or for any other civil action under the laws of the State.

(4) Notwithstanding any other provision of Federal law, any activity conducted pursuant to an agreement under this subsection shall not be grounds for any civil or criminal action under Federal antitrust laws, as defined in the first section of the Clayton Act and in section 4 of the Federal Trade Commission Act.

(f) REPORT.—The Secretary shall monitor the effects of the reforms required under this section and report to Congress within 3 years after the date of enactment of this Act on the effect of such reforms on—

(1) access to health care;

(2) the costs of health care;

(3) the number of health care malpractice actions filed in the United States;

(4) the number of health care negligence claims or disputes resolved through alternative dispute resolution systems; and

(5) the length of time for individuals injured by health care negligence to receive compensation for their injuries.

(g) COMPLIANCE.—

(1) If the Secretary determines that, at any time, a State is not in compliance with the provisions of subsections (b) through (e), the Secretary shall, after adequate notice and an opportunity for hearing, withhold all funds which the State would receive or be eligible to receive under the Public Health Service Act. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

(2) The Secretary may not institute proceedings to withhold funds under paragraph (1) unless the Secretary has conducted an investigation concerning whether the State is in compliance with subsections (b) through (e). Investigations, required by this paragraph shall be conducted within the State by qualified investigators.

(3) The Secretary shall respond in an expeditious manner to complaints of a substantial or serious manner that a State has filed to comply with subsections (b) through (e).

(4) The Secretary may not withhold funds under paragraph (1) for a minor failure to comply with subsections (b) through (e).

(h) PREEMPTION.—

(1) Subsection (a) supersedes any State law regarding recovery for injury resulting from health care negligence only to the extent that State law establishes a rule of law applicable to any such recovery which is less stringent than the rule esablished by subsection (a). Any issue arising under subsection (a) that is not governed by any such rule of law shall be governed by applicable

State or Federal law. Subsection (a) shall not supersede the provisions of any State or Federal law which are more stringent than the provisions of such subsection.

(2) Nothing in subsection (a) shall be construed to—

(A) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(B) waive or affect any defense of sovereign immunity asserted by the United States.

(C) affect the applicability of any provision of Foreign Sovereign Immunities Act of 1976 (28 U.S.C. 1602 et seq.);

(D) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation; or

(E) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground in inconvenient forum.

(3) Subsection (a) shall be construed and applied after consideration of its legislative history to promote unformity of law in the various jurisdictions.

ADMINISTRATIVE PROVISIONS

SEC. 10. (a) AMOUNT AND METHOD OF PAYMENT.—

(1) The Secretary shall determine the amount of a grant under this Act, in accordance with the provisions of this Act.

(2) Payments under grants awarded under this Act may be made in advance, on the basis of estimates, or by way of reimbursement, with necessary adjustment because of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary determines necessary to carry out the purposes of such grants.

(b) SUPPLIES, EQUIPMENT, AND EMPLOYEE DETAIL—

(1) The Secretary, at the request of a recipient of a grant under this Act, may reduce the amount of such a grant by—

(A) the fair market value of any supplies or equipment furnished to the recipient by the Secretary;

(B) the amount of pay, allowances, and travel expenses incurred by any officer or employee of the Federal government when such officer or employee has been detailed to the recipient; and

(C) the amount of any other costs incurred in connection with the detail of an officer or employee as described in subparagraph (B).

when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience, and at the request, of such recipient and for the purpose of carrying out activities under the grant.

(2) The amount by which any grant awarded under this Act is reduced under this subsection shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, and such amount shall be considered as part of the grant that has been to the recipient.

(c) RECORDS.—Each recipient of a grant under this Act shall keep such records as the Secretary determines appropriate, including records that fully disclose—

(1) the amount and disposition by such recipient of the proceeds of such grant;

(2) the total cost of the activity for which such grant was made;

(3) the amount of the cost of the activity for which such grant was made that has been received from other sources; and

(4) such other records as will facilitiate an effective audit.

(d) AUDIT AND EXAMINATION OF RECORDS.—The Secretary and the Comptroller General of the United States shall have access to any books; documents, papers, and records of the recipient of a grant under this Act, for the purpose of conducting audits and examinations of such recipient that are pertinent to such grant.

(e) MAINTENANCE OF EFFORT.—Each recipient of a grant under this Act shall use the Federal funds made available under such grant to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under this Act. In no event shall a recipient of Federal funds under a grant under this Act use such Federal funds to supplant such State, local, and other non-Federal funds.

REPORTS ON GRANT PROGRAMS

SEC. 11. (a) STATE REPORTS.—Within two years after the date of enactment of this Act, and every two years thereafter, each State which receives a grant this Act during any such two-year period shall prepare and transmit to the Secretary a report which describes—

(1) the alternative dispute resolution system adopted or in effect in the State;

(2) the activities conducted by the State with any grants received under sections 4, 5, 7 or 8 during the preceding two year period;

(3) information to enable the secretary to report on the matters described in paragraphs (1) through (5) of section 9(f); and

(4) any current problems in the State with respect to health care provider or health care professional malpractice actions or health care provider or health care professional liability insurance.

(b) SECRETARIAL REPORTS.—Within 30 months after the date of enactment of this Act, and every two years thereafter, the Secretary shall prepare and transmit to the Congress a report which summarizes the information submitted to the Secretary in the most recent reports of the States under subsection (a).

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a) DEVELOPMENT GRANTS.—For grants under section 4 there are authorized to be appropriated $5,000,000 for fiscal year 1991.

(b) INCENTIVE GRANTS.—

(1) For grants under section 5, there are authorized to be appropriated a total of $200,000,000 for fiscal years 1991 and 1992. Amounts appropriated under this subsection shall remain available from October 1, 1990, to September 30, 1994.

(2) For grants under section 5, there are authorized to be appropriated $75,000,000 for fiscal year 1993. Amounts appropriated under this subsection shall remain available from October 1, 1993, to September 30, 1995.

(c) RESEARCH GRANTS.—For grants under section 7, there are authorized to be appropriated a total of $10,000,000 for fiscal years 1991, 1992, and 1993.

(d) DISCIPLINARY GRANTS.—For grants under section 8, there are authorized to be appropriated a total of $20,000,000 for fiscal years 1991, 1992 and 1993.

COMMUNITY AND MIGRANT HEALTH CENTERS RISK RETENTION GROUP

SEC. 13. (a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end thereof the following new section:

"SEC. 330A. RISK RETENTION GROUP.

"(a) GRANT.—The Secretary shall make a grant to an entity that represents recipients of assistance under section 329 and 330 to enable such entity to develop a business plan as described in subsection (b)(2) and establish a nationwide risk retention group as provided for in Liability Risk Retention Act of 1986 (15 U.S.C. 3901 et seq.), and that meets the requirements of this section.

"(b) BUSINESS PLAN AND FORMATION.—

"(1) DEVELOPMENT AND ESTABLISHMENT.—

"(A) IN GENERAL.—Not later than September 30, 1991, the grantee shall develop a business plan as described in paragraph (2) and have established a risk retention group that meets the requirements of section 2(4) of the Product Liability Risk Retention Act of 1981 (15 U.S.C. 3901(2)(4)).

"(B) ESTABLISHMENT.—In establishing the risk retention group under subparagraph (A), the grantee shall take all steps, in accordance with this subsection, necessary to enable such group to be prepared to issue insurance policies under this section.

"(2) BUSINESS PLAN.—The grantee shall develop a plan for the operation of the risk retention group that shall include all actuarial reports and studies conducted with respect to the formation, capitalization, and operations of the group.

"(3) STRUCTURE, RIGHTS, AND DUTIES OF THE RISK RETENTION GROUP.—

"(A) BOARD OF DIRECTORS.—

"(i) APPOINTMENT.—The board of directors of the risk retention group shall consist of 12 members to be appointed by the recipient of the grant under subsection (a), and approved as provided in clause (ii).

"(ii) APPROVAL.—The initial members appointed under clause (i) shall be approved by the Secretary, and shall serve for a term as provided in clause (iii). All subsequent members shall be subject to the approval of the members of the risk retention group.

"(iii) TERMS.—The recipient of the grant under subsection (a) shall appoint the members of the board under clause (i) as follows:

"(I) Four members shall be appointed for an initial term of 1 year.

"(II) Four members shall be appointed for an initial term of 2 years.

"(III) Four members shall be appointed for an initial term of 3 years.

Members serving terms other than initial terms shall serve for 3 years. Members may serve successive terms.

"(iv) EXECUTIVE DIRECTOR.—The Executive Director of the board shall be elected by the members of the board, and shall serve at the pleasure of such members.

"(v) VACANCIES.—Vacancies on the board shall be filled through a vote of the remaining members of the board, subject to the approval of the members of the risk retention group.

"(B) BYLAWS.—The board shall develop the bylaws of the risk retention group that shall be subject to the disapproval of the Secretary. Any changes that the board desires to make in such bylaws shall be subject to the disapproval of the Secretary. The Secretary shall provide the board with 90 days notice of the Secretary's intent to disapprove a bylaw.

"(C) ADMINISTRATION.—The risk retention group may negotiate with other entities for the purposes of managing and administering the risk retention group, and for purposes of obtaining reinsurance.

"(D) PROVISION OF INSURANCE.—The risk retention group shall provide professional liability insurance, and other types of profitable insurance approved for issuance by the Secretary, to migrant and community health centers that receive assistance under sections 329 and 330 and that meet the requirements of subparagraph (E).

"(E) PARTICIPANTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), all community and migrant health centers that receive assistance under section 329 and 330 shall become members in the risk retention group established under this section and shall purchase the professional liability insurance that is offered by such group for such centers and any health care staff or personnel employed by such centers or under contract with such centers. All professional staff members of such centers shall be eligible to obtain the insurance offered by such group.

"(ii) EXCEPTIONS.—

"(I) GOOD CAUSE.—The Secretary may, on a showing of good cause by the center, exempt such center from the requirements of clause (i).

"(II) FAILURE TO MEET CONDITIONS.—If the risk retention group determines that a center is not complying with the established underwriting standards, such group may decline to provide insurance to such center. The risk retention group shall provide a center with 60 days notice of a decision by the group not to provide insurance to such center.

"(III) HEARING.—Prior to the Secretary granting an exemption or severance as requested in an application submitted under subclause (I), the Secretary shall require that the applicant provide evidence concerning its application and shall afford the risk retention group an opportunity to address the allegations contained in such application. The Secretary may grant the center temporary relief under this subparagraph without a hearing in emergency situations.

"(F) APPLICABILITY OF INSURANCE TO CLAIMS.—Insurance provided by the risk retention group under this section shall apply to all claims filed against a covered community or migrant health center after the initiation of insurance coverage by the risk retention group, including acts that occur prior to coverage under this section that are not covered by other insurance.

"(c) SUBMISSION OF BUSINESS PLAN TO OUTSIDE EXPERTS.—After the development of the business plan and the establishment of the risk retention group as required under subsection (b), the risk retention group shall enter into a contract with individuals or entities who are insurance, financing, and business experts to require such individuals or entities to analyze and audit the group. Such individuals and entities shall provide the group with an evaluation of such plan and group.

"(d) SUBMISSION OF PLAN AND EVALUATION.—

"(1) IN GENERAL.—The risk retention group shall submit to the Secretary the business plan required under subsection (b) and the evaluation completed under subsection (c) to the Secretary.

"(2) DETERMINATION BY SECRETARY.—Not later than September 30, 1990, the Secretary shall make a determination, based on the plan and evaluation submitted under paragraph (1), of whether the operation of the risk retention group would result in an increase in the amount of funds available for use by community and migrant health centers and other entities that receive assistance under sections 329 and 330 in the 2-year period ending on September 30, 1992.

"(3) IMPLEMENTATION.—If the Secretary makes an affirmative determination under paragraph (1), the Secretary shall permit the implementation of the plan and the operation of the risk retention group as provided for in this section, and shall capitalize such group as provided for in subsection (e)(2).

"(e) FUNDING.

"(1) GRANT.—There are authorized to be appropriated to make a grant under subsection (a), $1,000,000 for fiscal year 1991.

"(2) CAPITALIZATION.—There are authorized to be appropriated for fiscal years 1991 and 1992 such sums as may be necessary to provide adequate capitalization to the risk retention group. Amounts appropriated under this paragraph may only be made available if the Secretary makes an affirmative determination under subsection (D)(2).

"(3) REMAINING ASSETS.—All assets of the risk retention group that remain after the dissolution of such group shall become the property of the Secretary who shall use such assets to pay the remaining expenses of the group."

(b) CONFORMING AMENDMENTS.—

(1) Section 329(h)(1)(A) of such Act (42 U.S.C. 254b(h)(1)(A)) is amended by striking out "1991" and inserting in lieu thereof "1992".

(21) Section 330(g)(2)(A) of such act (42 U.S.C. 254b(h)(1)(A)) is amended by inserting ", and such sums as may be necessary for fiscal year 1991" after "1991".

ENSURING ACCESS THROUGH MEDICAL LIABILITY REFORM ACT—SENATOR ORRIN G. HATCH

PURPOSES

To encourage States to improve their systems for promptly and cost effectively compensating individuals injured in the course of medical treatment.

To improve the efficiency of State government disciplinary systems in detecting and restricting health care professionals who endanger patient safety.

To require comprehensive medical quality assurance and risk management initiatives among health care providers that will assist in preventing avoidable patient injuries.

To establish guidelines for bringing health care malpractice actions and awarding damages.

To establish a risk retention program that will make medical liability insurance available at affordable rates to community and migrant health care centers.

ALTERNATIVE DISPUTE RESOLUTION SYSTEM GRANTS

This legislation would provide grants to States to encourage them to implement innovative systems for compensating individuals who are injured while undergoing medical care. States would receive grants to develop demonstration projects that establish alternative dispute resolution systems for handling medical liability claims. The bill would authorize $5 million for this purpose in FY 1991. In addition, States would receive grants to implement and evaluate the systems put in place: $200 million for FY 1991 and FY 1992, and $75 million for FY 1993.

The following programs would qualify for demonstration grant funding under the bill:

1. Fault-based Administrative Systems

A State would establish an administrative process that would have exclusive jurisdiction to review medical liability claims. A simplified procedure for filing health care negligence claims would be implemented to promote access to legal process for all patients with meritorious claims. The process would provide for expedited examination of claims, investigation and hearing, and appellate review before an agency panel. Judicial review of the final administrative decision would be limited.

The agency resolving health care negligence claims would be obligated to coordinate with State licensing and disciplinary authorities to establish early identification systems for those persons and practices that may be endangering patient safety. Full payment for all out-of-pocket damages would be made available to patients injured by health care negligence, but pain and suffering and other non-economic damages would be limited.

2. Defined Injury Catastrophic Injury Compensation Systems

A State would establish a compensation fund to compensate all individuals who were injured in the course of receiving health care services, regardless of whether the provider or professional was negligent. Persons compensated by this fund would not be allowed to seek additional compensation in the courts. The claims filing procedure would permit a claimant the option to file and pursue a claim without the assistance of counsel, although counsel could be retained if desired. A final determination on a claim would be required within six months after the claim was filed. Compensation payments would be made for economic losses according to a schedule of benefits. A State could elect to compensate for pain and suffering or other non-economic losses as well.

Funding for the compensation fund would come from all physicians and other health care professionals licensed in the State, as well as hospitals that participate in the medical treatment covered by the fund.

3. Early Offer and Recovery Mechanisms

A State would establish a system under which health care providers had the option to offer to compensate a claimant for all economic losses before a health care malpractice action is pursued. Disputes about the extent or value of economic losses would be resolved by arbitration. If the claimant rejects the offer and pursues legal action in the courts, potential noneconomic damages will be limited and the claimant will be obliged to prove his or her case beyond a reasonable doubt.

4. Binding Arbitration

A State would establish a system under which health care providers and professionals could offer their patients an opportunity to enter into an agreement to arbitrate any claims of health care negligence prior to treatment. As part of this system, the State would guarantee that an individual's decision to arbitrate was not a prerequisite to the provision of medical services and that a patient could agree to revoke the agreement within fifteen days after signing it. A health care provider could not revoke the agreement. The arbitration panel would consist of three persons, including one arbiter selected by the claimants, one selected by the health care providers and professionals against whom the claim is made, and a third arbiter chosen by the other two. Arbitration decisions will be subject to limited review in the State courts.

5. Other Alternatives

The Secretary would be authorized to approve other alternative dispute resolution

demonstration programs that are consistent with the purposes of this Act.

RESEARCH GRANTS

The Secretary of Health and Human Services would be authorized to make grants to State governmental and nonprofit organizations to conduct research on the prevention of and compensation for injuries resulting fom health care negligence. In each of FY 1991, FY 1992 and FY 1993, $10 million is provided.

DISCIPLINARY AND EDUCATION GRANTS

The Secretary of Health and Human Services would be allowed to make grants to States to assist in improving their ability to adequately monitor health care professionals and restrict those who are practicing substandard medicine. In each of FY 1991, FY 1992 and FY 1993, $20 million is provided.

FEDERALLY MANDATED REFORMS

1. *Professional Liability Reforms*—The following federal reforms would apply in all State and federal court medical malpractice actions, unless a State has enacted alternative provisions that achieve the same goals:

Mandatory periodic payment of all future damages, exceeding $100,000;

A $250,000 ceiling on noneconomic damage awards;

Mandatory offsets of awards for collateral sources of recovery;

A schedule of limitations for attorney contingency fees; and

The requirement that State limitations statutes will run from the time of injury and; in the case of infant claims, can be suspended no later than the claimant's sixth birthday.

2. *Patient Protection Reforms*—States would be obligated to comply with the following requirements as a condition of receiving funds under the Public Health Service Act:

Licensing fees collected from health care professionals will be allocated exclusively to those State agencies responsible for licensing and disciplinary activities;

Health care providers doing business in the State must institute early warning systems for practices which may result in patient injury; and

Liability insurers doing business in the State must require patient safety programs as a condition of maintaining insurance.

In addition, States would be required to authorize the appropriate participation of state and local medical societies in the process of reviewing the practice patterns of individuals who may be endangering patient safety. Protection from State and federal antitrust law is extended to encourage such activities.

COMMUNITY AND MIGRANT HEALTH CARE CENTERS RISK RETENTION PROGRAM

The Secretary of Health and Human Services would be authorized to make a grant to investigate the feasibility of establishing a nationwide risk retention group for community and migrant health care centers. If it appears that implementation of such a program would result in an increase in the funds available for use by community and migrant health centers, federal funds would be made available to capitalize the risk retention group. Under the bill, $1 million would be available in FY 1991 for the development of a feasible business plan.

By Mr. EXON:

S. 2936. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1990, 1991, and 1992, and for other purposes; to the Committee on Commerce, Science, and Transportation.

HAZARDOUS MATERIALS TRANSPORTATION SAFETY IMPROVEMENT ACT

● Mr. EXON. Mr. President, the legislation I am introducing today is the product of a vigorous debate which has been waged during at least the past three Congresses on ways to improve the safety of hazardous materials [hazmat] transportation. The current statute, the Federal Hazardous Materials Transportation Act, has not seen any substantial revisions since its enactment in 1975.

On Wednesday, July 25, 1990, the Surface Transportation Subcommittee held a hearing on hazmat reauthorization. This hearing followed a series of hearings held on this subject during the 100th Congress and a report on this matter prepared at the request of our committee by the Congressional Office of Technology Assessment.

The Commerce Committee's most recent hearing revealed a growing consensus by the interested parties on many central issues. The bill I am introducing today is intended to build on the areas where agreement has been reached. Included within the bill are numerous provisions designed to strengthen the Federal hazardous materials transportation program. These provisions include: First, increasing the Federal safety-inspection force by 30 additional inspectors; second, requiring safety permits for those hazardous materials posing the greatest risk during transit; third, imposing a minimum civil penalty of $250 for violations of the hazardous materials laws and increasing the maximum penalty to $25,000 per violation per day; fourth, requiring single-purpose, dedicated trains for the transportation by rail of high-level radioactive waste and spent nuclear fuel; fifth, requiring the Secretary of Transportation to make planning and training grants for responding to emergencies involving hazardous materials to States and Indian tribes meeting certain requirements; sixth, mandating that 75 percent of the funds from these grants be allocated by the States to local communities; seventh, prohibiting motor carriers receiving an unsatisfactory rating from transporting hazardous materials; eighth, requires the Department of Transportation to initiate a rulemaking on the need to establish a registration program for carriers, shippers, those who store in transit, who manufacture, recondition or are otherwise involved with containers used to transport hazardous materials; and ninth, extending the Federal participation program for State rail safety inspectors to include hazardous materials.

I am pleased that the many parties involved in this issue have helped us develop a consensus on many of the provisions contained in this bill. I urge my colleagues to support passage of this measure as a way to strengthen the way we govern the transportation of hazardous materials, as well as allow for increased training for those who are charged with protecting the safety of our citizens.●

By Mr. STEVENS:

S. 2937. A bill to authorize a certificate of documentation for the vessel *Ocean Prowler*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "OCEAN PROWLER"

● Mr. STEVENS. Mr. President, this legislation would allow the Coast Guard to issue a certificate of documentation for the 149-foot fishing vessel, *Ocean Prowler*, official number 632751, which is currently owned by a general partnership composed of longtime Alaskan fishermen. Two of the partners, John Winther and Bart Eaton, have served on the North Pacific Fishery Management Council.

The *Ocean Prowler* was originally built for the U.S. Navy in 1941 at Vallejo, CA. It was converted to a refrigerated sea water tender vessel at Seattle, WA, during 1981 and 1982. The vessel was held briefly by a Canadian owner during the 1980's.

The *Ocean Prowler* is restricted from engaging in coastwise trade because of its period of Canadian ownership. The owners would like coastwise privileges restored in order that the *Ocean Prowler* may be used as salmon and herring tender.●

By Mr. STEVENS:

S. 2938. A bill to authorize a certificate of documentation for the vessel *Sea Nugget*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "SEA NUGGET"

● Mr. STEVENS. Mr. President, this legislation would allow the Coast Guard to issue a certificate of documentation for the 40-foot pleasure vessel *Sea Nugget*, Alaska registration number AK 2233 E, which is owned by Joe and Diana Downey and William and Barbara Basham, all of Anchorage, AK.

The *Sea Nugget* was constructed in Hong Kong for Martin Hochfeldt of Seattle, WA, in 1972. The vessel was sold to Mel Stark of Scottsdale, AZ, who in turn sold the vessel to Tom Oyster of Anchorage, AK. The vessel sank off Whittier, AK, in 1980. The vessel was salvaged and then donated to the city of Whittier, AK, who sold the vessel at auction to Richard Long of Whittier. Mr. Long sold the vessel to the present owners.

This waiver is needed in order to allow the *Sea Nugget* to be used for barefoot charter in the coastwise trade.●

By Mr. STEVENS:

S. 2939. A bill to authorize a certificate of documentation for the vessel *Swee' Pea*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "SWEE' PEA"

● Mr. STEVENS. Mr President, this legislation would allow the Coast Guard to issue a certificate of documentation to the 33-foot vessel *Swee' Pea*, Alaska registration number AK 8550 L, which is owned by Vincent Mitchell of Valdez, AK.

Mr. Mitchell purchased the hull of the *Swee' Pea* from a boatbuilder in British Columbia, Canada, and had the engines, superstructure, and fittings installed by Sunnfjord Boats of Tacoma, WA. Mr. Mitchell had the vessel built and outfitted for the purpose of engaging in sport and commercial fishing. At the time, Mr. Mitchell was unaware that the vessel must be entirely U.S. built in order to qualify for documentation under U.S. law.

This waiver is needed to allow the *Swee' Pea* to engage in the coastwise trade and fisheries of the United States.●

By Mr. STEVENS:

S. 2940. A bill to authorize a certificate of documentation for the vessel *Ghostrider*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "GHOSTRIDER"

● Mr. STEVENS. Mr. President, this legislation would allow the Coast Guard to issue a certificate of documentation for the 33-foot fishing vessel, *Ghostrider*, official number 906121, which is currently owned by Daniel and Jody Reed of Eagle River, AK.

The *Ghostrider* was built in Toms River, NJ, in 1975. In 1986, the original owner of the vessel, John W. Greiff, donated it to Stanford University.

The *Ghostrider* is restricted from engaging in coastwise trade because the vessel was owned collectively by the board of trustees of Stanford University, and the trustees do not all qualify individually as U.S. citizens. The Coast Guard requires that all applicants for coastwise licenses provide adequate evidence of the citizenship of all previous owners. Mr. Reed would like his coastwise privileges restored in order that he may sell *Ghostrider* for use of a charter vessel.●

By Mr. HEINZ (for himself and Mr. KOHL); to the Committee on Energy and Natural Resources.

S. 2941. A bill to reform and restore integrity to the Federal reclamation system.

RECLAMATION REFORM AND INTEGRITY ACT OF 1990

● Mr. HEINZ. Mr. President, I rise today with Senator KOHL to introduce the Reclamation Reform and Integrity Act of 1990. The bill is designed to achieve five objectives.

The first is to reconcile farm and reclamation policies currently in conflict. The second is to reduce the Federal budget deficit. The third is restore equity among farmers. The fourth is to foster environmental protection. And the fifth is to promote the efficient allocation of a scarce resource.

Last Thursday, during consideration of the 1990 farm bill, S. 2830, Senator KOHL and I offered an amendment to prohibit farmers from participating in price and income support programs administered by the Department of Agriculture [USDA] if they receive irrigation water from Federal projects as subsidized rates. It does not make sense to pay some farmers not to grow certain crops while we encourage others to grow those crops with below cost water.

We withdrew the amendment because Senator BILL BRADLEY, who chairs the Senate Energy and Natural Resources Subcommittee on Water and Power, stated that he intended to hold a hearing on reclamation reform issues tomorrow. He felt that the hearing record on the double subsidy issue and other needed reforms is incomplete. We obliged Senator BRADLEY on the condition that we would introduce additional reclamation reform legislation, and that he would consider it at his hearing. He agreed.

The bill we introduce today contains additional reclamation reforms. I would like to summarize its provisions:

The first provision would amend section 208(a) of the Reclamation Reform Act of 1982 [RRA] to ensure that water contracts recover current operating and maintenance [O&M] costs and some capital fixed costs. This provision shouldn't be necessary, but the Bureau of Reclamation appears unwilling to implement the intent of Congress as expressed in previous reclamation legislation.

The second provision would amend section 209(f)(2) of the RRA to ensure that the Federal Government obtains the profit created by the construction of Federal irrigation water projects on excess land sales—as Congress intended. This provision is based on recommendations made by the General Accounting Office [GAO] in a February 1990 report (GAO/RCED-90-100) Representative GEORGE MILLER, of California, who chairs the House Interior Subcommittee on Water, Power and Offshore Energy Resources. GAO and the Office of Management and Budget estimate this provision could generate $100 million in additional Federal revenues.

The third provision would repeal section 1(1) of Public Law 84-643, the Reclamation Project Act Amendments of 1956. This simple language would repeal authority for incorporating renewal clauses in Bureau of Reclamation water service contracts. A repeal of the renewal requirement in the 1956 act would establish the need for reevaluation of water use as water service contracts expire. The repeal would also diminish water users' claims in ongoing litigation and policy discussions that the scope and content of environmental impact statements [EIS's] on contract renewals should be restricted because they claim a perpetual right to given quantities of water. Frankly, I do not believe there is any legislative basis whatsoever for the notion that water users have perpetual claims extending beyond their 40-year or 50-year contracts. Certainly, none is implied. But this repeal clarifies the issue beyond any doubt.

The fourth provision would incorporate a June 1987 memorandum of understanding [MOU] regarding the use of normalized commodity prices in the evaluation of the costs and benefits of future water projects. Repeatedly, the previous administration argued that market clearing commodity prices—not USDA supported prices—ought to be used in determining whether future water projects make economic sense. The effect of adopting this provision would be to ensure that only those water projects that actually produce a net increase in the real output of the Nation are supported for construction.

The fifth provision would require reclamation farmers to pay full cost water rates if they produce surplus—program—crops, regardless of whether they participate in USDA price and income support programs. This provision is similar to the original amendment Representative SAM GEJDENSON, of Connecticut, offered to H.R. 2567 on June 14.

Mr. President, that summarizes the Reclamation Reform and Integrity Act of 1990. Now, I would like to make a few observations about reclamation generally.

First and foremost, reclamation reform is not anti-West nor is it anti-farm. Westerners have to come to grips with the fact that agriculture accounts for 5 or 10 percent of the gross State product [GSP] of individual States. But it uses 85 or 90 percent of the water. An economist would argue that water—a scarce resource out West—is being misallocated. Current reclamation policies impede economic growth.

The Bureau of Reclamation is proud of boasting about the Federal tax revenues generated or the tax revenues accruing to State and local governments because of its irrigation projects. The Bureau bases its claims on the economic activity associated with reclamation projects, such as the value added in food processing. What the Bureau fails to acknowledge is that secondary benefits generated by a

project do not necessarily increase the net production of the Nation as a whole, or even a particular region. What is the same Federal funds had been spent somewhere else in the economy, say, to support an industrial park? Or if the funds had been left in private hands? If such alternative spending were to return more direct benefits than a water resources project with a benefit-cost ratio of less than one, greater secondary benefits and tax revenues could be expected.

Ninety years ago, 50 years ago, perhaps even 20 years ago, reclamation projects represented an appropriate Federal investment in promoting settlement in the arid West. But the economics—and the demographics—of the West have changed. Now, the West and the South have more manufacturing jobs than the Northeast-Midwest region—traditionally our Nation's industrial heartland. Now, the West is attracting high technology. Now, the West—according to Federal Reserve Bank of San Francisco economist Ronald Schmidt—has an economy that has grown much more rapidly than the national average since 1964—in large part because it has diversified away from reliance on natural resource-based industries, including agriculture.

Mr. President, 2 years ago Senator TIM WIRTH and I cosponsored project 88, a public policy project designed to identify market forces that could be harnessed for environmental protection. One of the recommendations of Project 88 was to remove barriers to water markets, a notion the Western Governors' Association has endorsed. According to the report:

An effective approach to current water supply problems is to support development of Federal and State policies which facilitate the voluntary buying and selling of water rights by individuals, firms, and other organizations in order to increase the efficiency of the system—most notably by increasing incentives for conservation.

By allowing free markets in water rights, voluntary exchanges can take place which make both parties better off. When farmers have a financial stake in conserving water, when urban needs are met without shrinking agriculture and without building new dams and reservoirs, environmental protection gains. Measures which facilitate voluntary water transfers thus promote more efficient allocation of scarce water resources and curb the perceived need for additional, expensive, and environmentally disruptive water supply projects.

The government should move to remove barriers to such voluntary water marketing. It should now certify that such voluntary transfers of Federally supplied water are indeed permissible and should establish rules to protect public and other third-party users of water. The U.S. Department of the Interior should work on issuing a generic policy statement affirming the transferability of contractual rights to reclamation water supplies. The Department currently responds to individual proposals for transfers, but contractors who are unsure what answer they will get hesitate to make requests in the first place.

So, Mr. President, advocating reclamation reform and efficient use of water does not mean "cutting reclamation farmers off at the knees" or depriving them of water. Rather, access to that water ought to be recognized and treated as a property right they hold, subject to trade, lease, or sale. Doing so would protect the environment and individual farmers, and foster economic growth.

Mr. President, I absolutely do not deny that reclamation helped settle the West. But times have changed. So, too, must reclamation policy. Resistance even to incremental change makes that policy increasingly out of touch with its original mission and new economic, agricultural, and environmental concerns. Increasingly, the policy becomes more and more difficult to justify—particularly in an era of severe Federal budget deficits, when every program—and every dollar spent—has to bring maximum returns to the Federal Government and the American taxpayer.

I ask unanimous consent that the text of our legislation be printed at this point in the RECORD.

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

S. 2941

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 "Reclamation Reform and Integrity Act of 1990".

SEC. 2. CAPITAL COST RECOVERY.

Section 208(a) of the Reclamation Reform Act of 1982 (96 Stat. 1261) is amended by adding at the end thereof the following: "Such price shall also be sufficient to recover an appropriate and substantial share of the fixed costs of construction of works connected with water supply and allocated to irrigation.".

SEC. 3. FAIR MARKET VALUE FOR SALES OF LAND.

(a) EFFECTIVE DATE.—Section 209(f)(2) of the Reclamation Reform Act of 1982 is amended by striking "the date of enactment of this Act," and inserting "October 12, 1982 but before the enactment of the Reclamation Reform Act Amendments of 1990".

(b) FAIR MARKET VALUE.—Section 209(f) of such Act is further amended by adding at the end the following:

"(3) In the case of disposals of excess lands, including such land not under recordable contracts, made on or after the enactment of the Reclamation Reform Act Amendments of 1990, the disposal of excess lands to nonexcess owners shall be for fair market value related to the delivery of irrigation water, which shall be deposited in the Treasury of the United States as miscellaneous receipts. Upon such disposal the title to these lands shall be freed of the burden of any limitations on subsequent sale values which might otherwise be imposed by the operation of section 46 of the Act entitled 'An Act to adjust water rights charges, to grant certain relief on the Federal irrigation projects, and for other purposes,' approved May 25, 1926 (43 U.S.C. 423e).".

SEC. 4. REPEAL OF WATER SERVICE CONTRACT RENEWALS.

Section 1(1) of Public Law 84-643 (43 U.S.C. 485h-1(1)) is hereby repealed.

SEC. 5. MARKET PRICES IN COST-BENEFIT ANALYSIS.

Notwithstanding any other provision of law, the Secretary of the Interior shall evaluate all unstarted reclamation projects in accordance with the Statement of Procedures adopted in June 1987 by the Assistant Secretary of the Department of Agriculture, the Acting Assistant Secretary of the Department of the Army, the Washington Representative of the Tennessee Valley Authority, and the Assistant Secretary of the Department of the Interior.

SEC. 6. COST FOR DELIVERY OF WATER USED TO PRODUCE THE CROPS OF CERTAIN AGRICULTURAL COMMODITIES.

Section 9 of the Reclamation Projects Act of 1939 (43 U.S.C. 485h) is amended by inserting at the end thereof the following new subsection:

"(g)(1) All contracts entered into, renewed, or amended under authority of this section or any other provision of Federal reclamation law after—

"(A) 2 years after the date of enactment of this subsection shall require that the organization agree by contract with the Secretary to pay at least 50 percent of full cost for the delivery of water used in the production of any crop of an agricultural commodity for which an acreage reduction program is in effect under the provisions of the Agricultural Act of 1949; and

"(B) 4 years after the date of enactment of this subsection shall require that the organization agree by contract with the Secretary to pay at least full cost for the delivery of water used in the production of any crop of an agricultural commodity for which an acreage reduction program is in effect under the provisions of the Agricultural Act of 1949.

"(2) The Secretary shall announce the amount of the full cost payment for the succeeding year on or before July 1 of each year.

"(3) As used in this subsection, the term 'full cost' shall have the meaning given such term in paragraph (3) of section 202 of the Reclamation Reform Act of 1982.

"(4) This subsection shall not apply to—

"(A) any contract which provides for irrigation on individual Indian or tribal lands on which repayment is deferred pursuant to the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386(a), commonly referred to as the 'Levitt Act');

"(B) an amendment of any contract with any organization which, on the date of enactment of this subsection, is required pursuant to a contract with the Secretary as a condition precedent to the delivery of water to make cash contributions of at least 20 percent of the cost of construction of irrigation facilities concurrently with the construction of such facilities by the Secretary; and

"(C) any contract which carries out the provisions of the Garrison Diversion Unit Reformulation Act of 1986 (Public Law 99-294; 100 Stat. 418).".●

● Mr. KOHL. Mr. President, I am pleased to join today with my colleague from Pennsylvania, Senator HEINZ, in introducing legislation intended to correct our conflicting and

expensive Federal policies in the area of agriculture and reclamation.

Last week, during consideration of the 1990 farm bill, Senator HEINZ and I offered an amendment to eliminate our current policy of paying "double subsidies"—a policy that allows farmers to receive Federal commodity program payments for growing surplus crops while allowing them to pay less than full market value for the irrigation water they use to produce those crops. We agreed to withdraw the amendment on that bill, pending hearings and consideration of the subject by the Energy Committee in the near future. It is, however, a policy that I believe is both fiscally irresponsible and disadvantageous to farmers in my home State of Wisconsin.

The legislation we are introducing today would phase out the practice of double subsidies. It does so by requiring farmers who receive irrigation water from Federal reclamation projects and who are using that water to produce surplus crops to pay 50 percent of the full cost for that water 2 years from the passage of the bill and full cost for the water 4 years hence. In allowing a transitional phase, we are offering farmers ample time to adjust their production accordingly.

Mr. President, let me make one point perfectly clear: This bill would not prevent any farmer from growing an agricultural commodity. It simply requires those farmers who are the lucky recipients of both agricultural and irrigation subsidies to choose between subsidies—if they receive one, then they are not eligible for the other.

The legislation we are introducing today will not jeopardize our Federal agricultural policy nor undermine our Federal reclamation policy. What it will do, however, is reduce unnecessary Federal spending. Some estimates show that we're wasting over $830 million a year on water subsidies for surplus crops. And, in 1986, the U.S. Department of Agriculture estimated that we spent about $730 million on commodity payments for crops grown with subsidized Federal water.

In addition, this legislation will put farmers across the country back on equal footing. Most of this country's farmers, and the majority of farmers in every State, are disadvantaged by the double subsidies which accrue to a small number of producers. Even in States with Bureau of Reclamation projects, a lucky few producers benefit at the expense of many.

In States where there are no reclamation projects, the competitive disadvantage is even more acute. In my home State of Wisconsin, dairy farmers must produce or buy their feed and forage at full cost—costs that vary each year depending on the weather. In States with Federal irrigation projects, however, dairy farmers have the luxury of purchasing forage that has been produced on irrigated acres at less than it's full cost—giving dairy producers in these States an enormous advantage in terms of costs of production.

Mr. President, the need for this type of legislation is long overdue. The House of Representatives recently endorsed a similar proposal overwhelmingly. I hope that the Senate will do so as well in the near future.●

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. CRANSTON, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 1974

At the request of Mr. HARKIN, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 1974, a bill to require new televisions to have built in decoder circuitry.

S. 2393

At the request of Mr. EXON, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2393, a bill to prohibit certain food transportation practices and to provide for regulation by the Secretary of Transportation that will safeguard food and certain other products from contamination during motor or rail transportation, and for other purposes.

S. 2619

At the request of Mr. GLENN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2619, a bill to amend title XVIII of the Social Security Act to provide for coverage of bone mass measurements for certain individuals under part B of the Medicare Program.

S. 2729

At the request of Mr. CHAFEE, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 2729, a bill to amend the Coastal Barrier Resources Act, and for other purposes.

S. 2737

At the request of Mr. ARMSTRONG, the names of Senator from Virginia [Mr. WARNER], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Indiana [Mr. LUGAR], the Senator from Iowa [Mr. GRASSLEY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Florida [Mr. MACK], the Senator from Nevada [Mr. REID], the Senator from California [Mr. CRANSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from Alabama [Mr. HEFLIN], the Senator from Illinois [Mr. SIMON], the Senator from Colorado [Mr. WIRTH], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 2737, a bill to require the Secretary of the Treasury to mint a silver dollar coin in commemoration of the 38th anniversary of the ending of the Korean war and in honor of those who served.

S. 2789

At the request of Mr. GORE, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2789, a bill to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes.

S. 2793

At the request of Mr. AKAKA, the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 2793, a bill to amend the U.S. Institute of Peace Act to honor the memory of the late Spark M. Matsunaga, U.S. Senator from the State of Hawaii, and for other purposes.

S. 2801

At the request of Mr. DOLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2801, a bill to direct the Secretary of Health and Human Services to phase in the update to the area wage index used to determine the amount of payment made to a hospital under part A of the Medicare Program for the operating costs of inpatient hospital services for inpatient discharges occurring during fiscal year 1991, and for other purposes.

S. 2806

At the request of Mr. HEINZ, the name of the Senator from California [Mr. WILSON] and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 2806, a bill to redesignate the Interstate Highway System as the Dwight D. Eisenhower Interstate Highway System.

S. 2813

At the request of Mr. GRAHAM, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2813, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1992 Olympic Games.

S. 2819

At the request of Mr. MOYNIHAN, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 2819, a bill to amend title XVIII of the Social Security Act to provide coverage of services rendered by community mental health centers as partial hospitalization services, and for other purposes.

S. 2843

At the request of Mr. DURENBERGER, the names of the Senator from California [Mr. WILSON] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 2843, a bill to amend title XIX of the Social Security Act to clarify that States may use a more liberal methodology in determining income and resource eligibility under Medicaid for certain medically needy individuals.

SENATE JOINT RESOLUTION 340

At the request of Mr. WILSON, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Oklahoma [Mr. BOREN], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 340, a joint resolution designating the week beginning November 11, 1990, as "National Disabled Veterans Week."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Kansas [Mr. DOLE], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. AKAKA], the Senator from Michigan [Mr. LEVIN], the Senator from Idaho [Mr. MCCLURE], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Rhode Island [Mr. CHAFEE], the Senator from North Dakota [Mr. CONRAD], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 351, a joint resolution to designate the month of May 1991, as "National Trauma Awareness Month."

SENATE RESOLUTION 288

At the request of Mrs. KASSEBAUM, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Resolution 288, a resolution expressing the sense of the Senate regarding the reopening of universities in the West Bank and Gaza without delay.

AMENDMENTS SUBMITTED

CAMPAIGN FINANCE REFORM ACT

BOREN (AND OTHERS) AMENDMENT NO. 2432

Mr. MITCHELL (for Mr. BOREN, for himself, Mr. MITCHELL, Mr. FORD, Mr. KERRY, Mr. DASCHLE, and Mr. BRADLEY proposed an amendment to the bill (S. 137) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes, as follows:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Senate Election Campaign Ethics Act of 1990".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971.

(c) TABLE OF CONTENTS.—

TITLE I—SENATE ELECTION CAMPAIGN SPENDING LIMITS AND BENEFITS

SEC. 101. SENATE SPENDING LIMITS AND PUBLIC BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end thereof the following new title:

"TITLE V—SPENDING LIMITS AND PUBLIC BENEFITS FOR SENATE ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this title—

"(1) except as otherwise provided in this title, the definitions under section 301 shall apply for purposes of this title insofar as such definitions relate to elections to the office of United States Senator;

"(2) the term 'eligible candidate' means a candidate who is eligible under section 502 to receive benefits under this title;

"(3) the terms 'Senate Election Campaign Fund' and 'Fund' mean the Senate Election Campaign Fund established under section 506;

"(4) the term 'general election' means any election which will directly result in the election of a person to the office of United States Senator, but does not include an open primary election;

"(5) the term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election;

"(6) the term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B);

"(7) the term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified under State law for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of this title;

"(8) the term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for the office of United States Senator;

"(9) the term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election;

"(10) the term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for the office of United States Senator;

"(11) the term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office;

"(12) the term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e); and

"(13) the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) or (vi) thereof.

"CANDIDATES ELIGIBLE TO RECEIVE BENEFITS

"SEC. 502. (a) IN GENERAL.—For purposes of this title, a candidate is an eligible candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Commission a declaration as to whether—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (d); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 503(b); and

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 503(a).

"(2) The declaration under paragraph (1) shall be filed on the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENT.—(1) The requirements of this subsection are met if the candidate files a certification with the Commission under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 503(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of—

"(I) the amount of the general election expenditure limit under section 503(b), reduced by the amount of voter communication vouchers issued to the candidate; plus

"(II) the amount of contributions from State residents which may be taken into account under section 503(b)(4) in increasing the general election expenditure limit; plus

"(III) the amount which may be maintained in a compliance and official expense fund under section 503(c);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission; and

"(vi) will cooperate in the case of any audit and examination by the Commission under section 507; and

"(E) the candidate intends to make use of the benefits provided under section 504.

"(2) The declaration under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 503(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 503(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Commission with respect to such period under section 304A(b) (relating to independent expenditures in excess of $10,000).

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to 10 percent of the general election expenditure limit under section 503(b).

"(2) For purposes of this section and section 504(b)—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State to the extent such contributions exceed 50 percent of the aggregate allowable contributions (without regard to this clause) received by the candidate during the applicable period.

Clauses (ii) and (iii) shall not apply for purposes of section 504(b).

"(3) For purposes of this subsection and section 504(b), the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of section 504(b), the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that for purposes of subsection (d), the base period shall be the calendar year in which the first general election after the date of the enactment of this title occurs.

"LIMITATIONS ON EXPENDITURES

"SEC. 503. (a) LIMITATION ON USE OF PERSONAL FUNDS.—The aggregate amount of expenditures which may be made during an election cycle by an eligible candidate or such candidate's authorized committees from the following sources shall not exceed $250,000:

"(1) The personal funds of the candidate and members of the candidate's immediate family.

"(2) Personal debt incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 502(f) (relating to indexing).

"(4)(A) The limitation under this subsection (without regard to this paragraph) shall be increased by the lesser of—

"(i) 25 percent of such limitation; or

"(ii) the amount of contributions described in subparagraph (B).

"(B) Contributions are described in this subsection if such contributions—

"(i) are made after the time contributions have been received in an amount at least equal to the threshold contribution requirement under section 502(e);

"(ii) are in amounts of $100 or less; and

"(iii) are made by an individual who was, at the time the contributions were made, a resident of the State in which the general election is held;

except that the total amount of contributions taken into account under subparagraph (A) with respect to any individual shall not exceed $100.

"(C) Except as otherwise expressly provided, any reference in any provision of law to the general election expenditure limit under this subsection shall be treated as a reference to such limit computed without regard to this paragraph.

"(c) COMPLIANCE AND OFFICIAL EXPENSE FUND.—(1) The limitation under subsection (b) shall not apply to qualified legal and accounting expenditures or qualified official expenditures made by a candidate or the candidate's authorized committees or a Federal officeholder from a compliance and official expense fund meeting the requirements of paragraph (2).

"(2) A compliance and official expense fund meets the requirements of this paragraph if—

"(A) the only amounts transferred to the fund are amounts received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(B) the aggregate amount transferred to, and expenditures made from, the fund do not exceed the sum of—

"(i) the lesser of—

"(I) 15 percent of the general election expenditure limit under subsection (b) for the general election for which the fund was established; or

"(II) $300,000; plus

"(ii) the amount determined under paragraph (4); and

"(C) no funds received by the candidate pursuant to section 504(a)(3) may be transferred to the fund.

"(3) For purposes of this subsection—

"(A) The term 'qualified legal and accounting expenditures' means the following:

"(i) Any expenditures for costs of legal and accounting services provided in connection with—

"(I) any administrative or court proceeding initiated pursuant to this Act during the election cycle for such general election; or

"(II) the preparation of any documents or reports required by this Act or the Commission.

"(ii) Any expenditures for legal and accounting services provided after the general election for which the compliance and official expense fund was established to ensure compliance with this Act with respect to the election cycle for such general election.

"(iii) Expenditures for the extraordinary costs of legal and accounting services provided in connection with the candidate's activities as a holder of Federal office other than costs for the purpose of influencing the election of such candidate to Federal office.

"(B) The term 'qualified official expenditures' mean expenditures described in section 313(b).

"(4)(A) If, after a general election, a candidate determines that the qualified legal and accounting expenditures exceed the limitation under paragraph (2)(B), the candidate may petition the Commission for an increase in such limitation. The Commission shall authorize an increase in such limitation in the amount (if any) by which the Commission determines the qualified legal and accounting expenditures exceed such limitation, reduced by the amount of qualified official expenditures. Such determination shall be subject to judicial review under section 509.

"(B) Except as provided in section 315, any contribution received or expenditure made pursuant to this paragraph shall not be taken into account for any contribution or expenditure limit applicable to the candidate under this title.

"(5)(A) A candidate shall terminate a compliance and official expense fund as of the earlier of—

"(i) the date of the first primary election for the office following the general election for such office for which such fund was established; or

"(ii) the date specified by the candidate.

"(B) Any amounts remaining in a compliance and official expense fund as of the date determined under subparagraph (A) shall be transferred—

"(i) to a compliance and official expense fund for the election cycle for the next general election;

"(ii) to an authorized committee of the candidate as contributions allocable to the election cycle for the next general election; or

"(iii) to the Senate Election Campaign Fund.

"(d) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure by the candidate or the candidate's authorized committees for Federal, State, or local taxes on earnings allocable to contributions received by such candidates or committees.

"BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE

"SEC. 504. (a) IN GENERAL.—An eligible candidate shall be entitled to—

"(1) the broadcast media rates provided under section 315(b)(3) of the Communications Act of 1934;

"(2) the mailing rates provided in section 3629 of title 39, United States Code;

"(3) payments from the Senate Election Campaign Fund in the amounts determined under subsection (b); and

"(4) voter communication vouchers in the amount determined under subsection (c).

"(b) AMOUNT OF PAYMENTS.—(1) For purposes of subsection (a)(3), except as provided in section 506(d), the amounts determined under this subsection are—

"(A) the independent expenditure amount; and

"(B) in the case of an eligible candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 503(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the independent expenditure amount is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible candidate which are required to be reported by such persons under section 304A(b) with respect to the general election period and are certified by the Commission under section 304A(e).

"(3) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1)(B) is not greater than 133⅓ percent of the general election expenditure limit under section 503(b), an amount equal to two-thirds of such limit applicable to the eligible candidate for the election; plus

"(ii) if the excess described in paragraph (1)(B) equals or exceeds 133⅓ percent of the general election expenditure limit under section 503(b), an amount equal to one-third of such limit applicable to the eligible candidate for the election.

"(B) In the case of an eligible candidate who is not a major party candidate, an amount equal to the lesser of—

"(i) the allowable contributions of the eligible candidate during the applicable period in excess of the threshold contribution requirement under section 502(e); or

"(ii) 50 percent of the general election expenditure limit applicable to the eligible candidate under section 503(b).

"(c) VOTER COMMUNICATION VOUCHERS.—(1) The Secretary of the Treasury shall issue nontransferable voter communication vouchers to eligible candidates as provided under section 506(b).

"(2) The aggregate amount of voter communication vouchers issued to an eligible candidate under paragraph (1) shall be equal to 20 percent of the general election expenditure limit under section 503(b) (10 percent of such limit if such candidate is not a major party candidate).

"(3) Voter communication vouchers shall be used by an eligible candidate to purchase broadcast time during the general election period subject to the same conditions and rates under section 315(b) of the Communications Act of 1934 as apply to other broadcast time a candidate may purchase, except that—

"(A) each such broadcast shall be at least 1 but not more than 5 minutes in length; and

"(B) each such broadcast shall be aired during the 5-week period preceding the general election.

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1) An eligible candidate who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (2) and (3) of subsection (b) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 503(b).

"(2) An eligible candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 502(c)(1)(D) or subsection (a) or (b) of section 503 if any one of the eligible candidate's opponents who is not an eligible candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 133⅓ percent of the general election expenditure limit applicable to the eligible candidate under section 503(b).

"(3) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 502(c)(1)(D) if—

"(A) a major party candidate in the same general election is not an eligible candidate; or

"(B) any other candidate in the same general election who is not an eligible candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 503(b).

"(e) USE OF PAYMENTS FROM FUND.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(i), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"CERTIFICATION BY COMMISSION

"SEC. 505. (a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 502 that such candidate is an eligible candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible candidate files a request with the Commission to receive benefits under section 506, the Commission shall certify to the Secretary of the Treasury whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund or to receive voter communication vouchers and the amount of such payments or vouchers to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 509.

"PAYMENTS RELATING TO ELIGIBLE CANDIDATES

"SEC. 506. (a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Senate Election Campaign Fund'.

"(2)(A) There are appropriated to the Fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, amounts equal to—

"(i) any contributions by persons which are specifically designated as being made to the Fund;

"(ii) amounts collected under sections 507(g) and 508(d)(3); and

"(iii) any other amounts which may be deposited into the Fund under this title.

"(B) The Secretary of the Treasury shall, from time to time, transfer to the Fund an amount not in excess of the amounts described in subparagraph (A).

"(C) Amounts in the Fund shall remain available without fiscal year limitation.

"(3) Amounts in the Fund shall be available only for the purposes of—

"(A) making payments required under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(4) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 505, except as provided in subsection (d), the Secretary shall promptly pay the amount certified by the Commission to the candidate out of the Senate Election Campaign Fund.

"(c) VOUCHERS.—(1) Upon receipt of a certification from the Commission under section 505, except as provided in subsection (d), the Secretary of the Treasury shall issue to an eligible candidate the amount of voter communication vouchers specified in such certification.

"(2) Upon receipt of a voter communication voucher from a licensee providing broadcast time to an eligible candidate, the Secretary of the Treasury shall pay to such licensee from the Senate Election Campaign Fund the face value of such voucher.

"(d) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 505 for payment, or issuance or a voucher, to an eligible candidate, the Secretary determines that the monies in the Senate Election Campaign Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts and vouchers withheld under subparagraph (A) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of payments which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the fund to make the payments required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments (including vouchers) under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 502(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 502(c)(1)(D)(iii) shall be increased by the amount of such excess.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 507. (a) EXAMINATION AND AUDITS.—(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 percent of all candidates for the office of United States Senator to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments or vouchers were made to an eligible candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such

candidate shall pay to the Secretary an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible candidate under section 505(a)(1), the Commission shall notify the candidate, and the candidate shall pay to the Secretary an amount equal to the payments and vouchers received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to 200 percent of the amount of such benefit.

"(d) EXCESS EXPENDITURES.—(1) If the Commission determines that any eligible candidate who has received benefits under this title has made expenditures which in the aggregate exceed by 5 percent or less—

"(A) the primary or runoff expenditure limit under section 502(d); or

"(B) the general election expenditure limit under section 503(b),

the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to the amount of the excess expenditures.

"(2) If the Commission determines that any eligible candidate who has received benefits under this title has made expenditures which in the aggregate exceed by more than 5 percent—

"(A) the primary or runoff expenditure limit under section 502(d); or

"(B) the general election expenditure limit under section 503(b),

the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to three times the amount of the excess expenditures.

"(e) UNEXPENDED FUNDS.—Any amount received by an eligible candidate under this title may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid to the Secretary.

"(f) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"(g) DEPOSITS.—The Secretary shall deposit all payments received under this section into the Senate Election Campaign Fund.

"CRIMINAL PENALTIES

"SEC. 508. (a) VIOLATIONS.—(1) No person shall knowingly and willfully—

"(A) accept benefits under this title in excess of the aggregate benefits to which the candidate on whose behalf such benefits are accepted is entitled;

"(B) use such benefits for any purpose not provided for in this title; or

"(C) make expenditures in excess of—

"(i) the primary and runoff expenditure limits under section 502(d); or

"(ii) the general election expenditure limit under section 503(b).

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both. Any officer, employee, or agent of any political committee who knowingly consents to any expenditure in violation of the provisions of paragraph (1) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

"(b) USE OF BENEFITS.—(1) It is unlawful for any person who receives any benefit under this title, or to whom any portion of any such benefit is transferred, knowingly and willfully to use, or to authorize the use of, such benefit or such portion other than in the manner provided in this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(c) FALSE INFORMATION.—(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information (including any certification, verification, notice, or report) to the Commission under this title, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this title; or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(d) KICKBACKS AND ILLEGAL PAYMENTS.—(1) It is unlawful for any person knowingly and willfully to give or to accept any kickback or any illegal payment in connection with any benefits received under this title by any eligible candidate or the authorized committees of such candidate.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal benefit in connection with any benefits received by any candidate pursuant to the provisions of this title, or received by the authorized committees of such candidate, shall pay to the Secretary, for deposit into the Senate Election Campaign Fund, an amount equal to 125 percent of the kickback or benefit received.

"JUDICIAL REVIEW

"SEC. 509. (a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 509 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to the Secretary.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 511. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 505 as benefits available to each eligible candidate;

"(3) the amount of repayments, if any, required under section 507 or 506(d)(2), and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund, and the balance in any account maintained in the Fund.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe such rules and regulations, in accordance with the provisions of subsection (c), to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rules or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 512. There are authorized to be appropriated to the Commission such sums as may be necessary for the purpose of carrying out its functions under this title."

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1991.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1991, shall be taken into account, except that there shall be taken into account any

such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1991, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1991, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If title V of the Federal Election Campaign Act of 1971 (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for election to the office of United States Senator or the candidate's authorized committees,

unless such individuals certify that such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees."

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year."

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraphs (B) and (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder."

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

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

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

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

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 324 of such Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(2) it shall be unlawful for any person that—

(A) is treated as a political committee by reason of paragraph (1); and

(B) is not directly or indirectly established, administered, or supported by a connected organization which is a corporation, labor organization, or trade association, to make contributions to any candidate or the candidate's authorized committee for any election aggregating in excess of $1,000; and

(3) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate or a candidate's authorized committee to the extent that the making of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) the greater of—

(i) $375,000; or

(ii) 20 percent of the sum of the general election spending limit under section 503(b) of FECA plus the primary election spending limit under section 502(d)(1)(A) of FECA (without regard to whether the candidate is an eligible candidate (as defined in section 501(2)) of FECA).

In the case of an election cycle in which there is a runoff election, the limit determined under paragraph (3) shall be increased by an amount equal to 20 percent of the runoff election expenditure limit under section 502(d)(1)(A) of FECA (without regard to whether the candidate is such an eligible candidate). The $825,000 and $375,000 amounts in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year in which the first general election after the date of the enactment of paragraph (3) occurs. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1990.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received on or before the date of the enactment of this Act; or

(B) contributions made to, or received by, a candidate after such date, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate on or before such date, over

(ii) such contributions received by the candidate on or before such date.

SEC. 103. BROADCAST RATES.

(a) PROVISIONS RELATING TO LOWEST UNIT COST.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended by adding at the end thereof the following new paragraphs:

"(2) In the case of a candidate for Federal office (as defined in section 301(3) of the Federal Election Campaign Act of 1971)—

"(A) paragraph (1)(A) shall be applied without regard to the phrase 'class and'; and

"(B) if the broadcast time exceeds 30 seconds, the lowest unit cost for such time shall not be greater than the rates for broadcasts of 30 seconds.

"(3)(A) In the case of candidates for United States Senator in a general election (as defined in section 501(4) of such Act), this subsection (other than paragraph (2)(A)(iii)) shall apply to a broadcast of such candidate only if such candidate is an eligible candidate (as defined in section 501(2) of such Act).

"(B) In the case of any eligible candidate for United States Senator, the rates under paragraph (1)(A) shall apply to any broadcast during the general election period (as defined in section 501(5) of such Act) rather than the 60-day period referred to in such paragraph."

(b) PREEMPTION RULES; VOUCHERS.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (e) and (f) and by inserting after subsection (b) the following new subsections:

"(c)(1) In the case of a legally qualified candidate for Federal office (as defined in section 301(3) of the Federal Election Campaign Act of 1971), a licensee shall not preempt the use, during any period the rates under subsection (b)(1)(A) are in effect, of a broadcasting station by such candidate who has purchased such use pursuant to subsection (b).

"(2) Paragraph (1) shall not apply if the program during which the candidate's broadcast was to air is unavoidably preempted.

"(d) A licensee shall—

"(1) accept voter communications vouchers provided to an eligible candidate (as defined in section 501(2) of the Federal Election Campaign Act) under section 504(a) of such Act; and

"(2) shall, upon presentation of such vouchers, provide broadcast time to such candidate subject to the same conditions and rates as apply to other broadcast time such candidate may purchase, except that—

"(A) no time shall be required to be provided without at least 7 days advance notice; and

"(B) in the case of broadcast time in the licensee's prime time, the licensee shall be required to provide—

"(i) not more than 5 minutes of such time during each of the weeks in the 5-week period ending on the date of the general election; and

"(ii) only one broadcast per day per candidate in such time.

(c) CONFORMING AMENDMENT.—Section 315(b) of the Communications Act of 1934 is amended—

(1) by inserting "(1)" before "The charges"; and

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively.

SEC. 104. PREFERENTIAL RATES FOR MAIL.

(a) REDUCED RATES.—Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following:

"§ 3629. Reduced rates for certain Senate candidates

"(a) The rates of postage for matter mailed with respect to a campaign by an eligible candidate (as defined in section 501(2) of the Federal Election Campaign Act of 1971) shall be—

"(1) in the case of first-class mail matter, one-fourth of the rate currently in effect; and

"(2) in the case of third-class mail matter, 2 cents per piece less than mail matter mailed pursuant to paragraph (1).

"(b) Subsection (a) shall cease to apply to any candidate for any campaign when the total amount paid by such candidate for all mail matter at the rates provided by paragraphs (1) and (2) of subsection (a) exceeds 5 percent of the amount of the general election expenditure limit applicable to such candidate under to section 503(b) of the Federal Election Campaign Act of 1971."

(b) AUTHORIZATION.—Section 2401(c) of title 39, United States Code, is amended by striking "and 3626(a)-(h)" and inserting "3626(a)-(h), and 3629".

(c) CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3628 the following new item:

"3629. Reduced rates for certain Senate candidates."

SEC. 105. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Subparagraph (B) of section 318(a)(1) of FECA (2 U.S.C. 441d(a)(1)), as amended by section 308, is amended by—

(1) striking "and" at the end of clause (ii);

(2) striking out the period at the end of clause (iii) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following:

"(iv) if paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible candidate (as defined in section 501(2)), or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to abide by the spending limits for this Senate election campaign set forth in the Federal Election Campaign Act.'."

SEC. 106. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Commission under section 502(c) shall file with the Commission a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible candidate under section 503(b). Such declaration shall be filed at the time provided in section 502(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible candidate under section 502; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 70 percent of the general election expenditure limit applicable to an eligible candidate under section 503(b),

shall file a report with the Commission within 24 hours after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 24 hours after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 133⅓ percent of such limit) with the Commission within 24 hours after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 133⅓ percent of such limit.

"(3) The Commission—

"(A) shall, within 24 hours of receipt of a declaration or report under paragraph (1) or (2), notify each eligible candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 503(b), shall certify, pursuant to the provisions of subsection (e), such eligibility to the Secretary of the Treasury for payment of any amount to which such eligible candidate is entitled under section 504(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 24 hours after making each such determination, notify each eligible candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 503(b), certify (pursuant to the provisions of subsection (e)) to the Secretary of the Treasury such candidate's eligibility for payment of any amount under section 504(a).

"(b) INDEPENDENT EXPENDITURES.—(1)(A) Any person who makes, or obligates to make, independent expenditures during any general, primary, or runoff election period for the office of United States Senator in excess of $10,000 shall report to the Commission as provided in this subsection.

"(B) If 2 or more persons, in cooperation, consultation, or concert with each other, make, or obligate to make, independent expenditures during any general, primary, or runoff election period for the office of United States Senator in excess of $10,000, each such person shall report to the Commission as provided in this subsection with respect to the independent expenditures so made by all such persons.

"(2) Any person referred to in paragraph (1) shall report the amount of the independent expenditures made or obligated to be made not later than 24 hours after the aggregate amount of such expenditures incurred or obligated first exceeds $10,000. Thereafter, such person shall report independent expenditures not later than 24 hours after each time the additional aggregate amount of such expenditures incurred or obligated (and not yet reported under this paragraph) exceeds $10,000.

"(3) Each report under this subsection shall be filed with the Commission and the Secretary of State for the State of the election involved and shall contain—

"(A) the information required by subsection (b)(6)(B)(iii) of section 304; and

"(B) a statement under penalty of perjury by the person making the independent expenditures, or by the person incurring the obligation to make such expenditures, as the case may be, that identifies the candidate whom the independent expenditures are actually intended to help elect or defeat.

"(4)(A) A person may file a complaint with the Commission if such person believes the statement under paragraph (3)(B) is false or incorrect.

"(B) The Commission, not later than 3 days after the filing of a complaint under subparagraph (A), shall make a determination with respect to such complaint.

"(5) The Commission shall, within 24 hours of receipt of a report under this subsection, notify each eligible candidate (as defined in section 501(2)) in the election involved about such report.

"(6) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any election for the United States Senate which in the aggregate exceed the applicable amounts under paragraph (2). The Commission shall notify each eligible candidate in such election of such determination within 24 hours of making it.

"(7) At the same time as a candidate is notified under paragraph (5) or (6) with respect to expenditures during a general election period, the Commission shall, pursuant to subsection (e), certify to the Secretary of the Treasury eligibility to receive benefits under section 504(a).

"(c) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than $250,000 during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Commission within 24 hours after such expenditures have been made or loans incurred.

"(2) The Commission within 24 hours after a report has been filed under paragraph (1) shall notify each eligible candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 24 hours after making such determination shall notify each eligible candidate in the general election involved about each such determination.

"(d) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Commission the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal, State, or local election which has been held before the individual becomes a candidate the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(e) CERTIFICATIONS.—Notwithstanding section 505(a), the certification required by this section shall be made by the Commission on the basis of reports filed with such Commission in accordance with the provisions of this Act, or on the basis of such Commission's own investigation or determination.

"(f) COPIES OF REPORTS.—The Commission shall transmit a copy of any report received under this section to the Secretary of the Senate within 2 working days of receipt of such report.

"(g) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V."

SEC. 107. OTHER DEFINITIONS.

(a) ELECTION CYCLE DEFINED.—Section 301 of FECA (2 U.S.C. 431) is amended by adding at the end thereof the following:

"(20) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election."

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking out "mailing address" and inserting in lieu thereof "permanent residence address".

TITLE II—EXPENDITURES AND CONTRIBUTIONS

Subtitle A—Independent Expenditures

SEC. 201. COOPERATIVE EXPENDITURES NOT TREATED AS INDEPENDENT EXPENDITURES.

(a) TREATMENT OF COOPERATIVE EXPENDITURES.—(1) Paragraph (17) of section 301 of FECA (2 U.S.C. 431(17)) is amended by adding at the end thereof the following new sentence: "The term 'independent expenditure' shall not include any cooperative expenditure."

(2) Paragraph (9) of section 301 of FECA (2 U.S.C. 431(9)) is amended by adding at the end thereof the following new subparagraph:

"(C) A cooperative expenditure shall be treated as an expenditure made by the candidate on whose behalf, or for whose benefit, the expenditure was made."

(3) Paragraph (8) of section 301 of FECA (2 U.S.C. 431(8)) is amended by adding at the end thereof the following new subparagraph:

"(C) A cooperative expenditure shall be treated as a contribution from the person making the expenditure to the candidate on whose behalf, or for whose benefit, the expenditure was made."

(b) COOPERATIVE EXPENDITURE DEFINED.—Section 301 of FECA (2 U.S.C. 431), as amended by section 107(a), is amended by adding at the end thereof the following new paragraph:

"(21)(A) The term 'cooperative expenditure' means any expenditure which is made—

"(i) with the cooperation of, or in consultation with, any candidate or any authorized committee or agent of such candidate; or

"(ii) in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate.

"(B) The term 'cooperative expenditure' includes an expenditure if—

"(i) there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure;

"(ii) in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policy-making position; or

"(iii) the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(iv) the person making the expenditure retains the professional services of any individual or other person also providing those services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office;

"(v) the person making the expenditure has consulted at any time during the same election cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(vi) the expenditure is based on information provided to the person making the expenditure directly or indirectly by the candidate or the candidate's agents about the candidate's plans, projects, or needs, provided that the candidate or the candidate's agent is aware that the other person has made or is planning to make expenditures expressly advocating the candidate's election.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

"(C) The term 'cooperative expenditure' includes an expenditure if such expenditure—

"(i) is made on behalf of, or for the benefit of, a candidate or authorized committee by a political committee that is established, administered, controlled, or financially supported, directly or indirectly, by a connected organization that is required to register, or pays for the services of a person who is required to register, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.); or

"(ii) is made on behalf of, or for the benefit of, a candidate or authorized committee by a political committee that has made a contribution to the candidate or authorized committee."

SEC. 202. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended to read as follows:

"(a)(1) If a licensee permits any person who is a legally qualified candidate for public office to use a broadcasting station other than any use required to be provided under paragraph (2), the licensee shall afford equal opportunities to all other such candidates for that office in the use of the broadcasting station.

"(2)(A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) shall—

"(i) inform the licensee that payment for the broadcast time will constitute an independent expenditure;

"(ii) inform the licensee of the names of all candidates for the office to which the proposed broadcast relates; and

"(iii) provide the licensee a copy of the statement described in section 304A(b)(3)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(3)(B)).

"(B) A licensee who is informed as described in subparagraph (A) shall—

"(i) if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(I) notify such person of the proposed making of the independent expenditure; and

"(II) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure; and

"(ii) in the case of an opponent of a candidate for whose benefit the independent expenditure is made who certifies to the licensee that the opponent is eligible to have the cost of response broadcast time paid out of the Federal Election Campaign Fund pursuant to section 504(a)(3) of the Federal Election Campaign Act of 1971, afford the opponent such broadcast time without requiring payment in advance and at the cost specified in subsection (b)."

"(3) A licensee shall have no power of censorship over the material broadcast under this section.

"(4) Except as provided in paragraph (2), no obligation is imposed under this subsection upon any licensee to allow the use of its station by any candidate.

"(5)(A) Appearance by a legally qualified candidate on a—

"(i) bona fide newscast;

"(ii) bona fide news interview;

"(iii) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary); or

"(iv) on-the-spot coverage of bona fide news events (including political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(B) Nothing in subparagraph (A) shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from their obligation under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(6)(A) A licensee that endorses a candidate for Federal office in an editorial shall, within the time stated in subparagraph (B), provide to all other candidates for election to the same office—

"(i) notice of the date and time of broadcast of the editorial;

"(ii) a taped or printed copy of the editorial; and

"(iii) a reasonable opportunity to broadcast a response using the licensee's facilities.

"(B) In the case of an editorial described in subparagraph (A) that—

"(i) is first broadcast 72 hours or more prior to the date of a primary, runoff, or general election, the notice and copy described in subparagraph (A) (i) and (ii) shall be provided not later than 24 hours after the time of the first broadcast of the editorial, and

"(ii) is first broadcast less than 72 hours before the date of an election, the notice and copy shall be provided at a time prior to the first broadcast that will be sufficient to enable candidates a reasonable opportunity to prepare and broadcast a response."

SEC. 203. ATTRIBUTION OF COMMUNICATIONS.

Section 318(a) of FECA (2 U.S.C. 441d(a)), as amended by section 308, is further amended by adding at the end thereof the following new paragraph:

"(3) A communication described in paragraph (1) that is paid for through an independent expenditure—

"(A) in the case of a television broadcast, shall include during the entire length of the communication a clearly readable video statement covering at least 25 percent of the viewing area of a television screen stating the information required in paragraph (1)(B) and, if the independent expenditure is made by a political committee, stating the name of its connected organization (if any) and the city and State in which such organization is located;

"(B) in the case of any audio broadcast (including a television broadcast), shall include an audio statement at the conclusion of the broadcast stating the information described in paragraph (1)(B) and, if the independent expenditure is made by a political committee, stating the name of its connected organization (if any) and the city and State in which such organization is located; and

"(C) in the case of a newspaper, magazine, outdoor advertising facility, mass mailing, or other type of general public political advertising, shall include a statement of—

"(i) the information required in paragraph (1)(B);

"(ii) the following sentence: "The cost of presenting this communication is not subject to any campaign contribution limits."; and

"(iii) the name of the person who paid for the communication including, in the case of a political committee, the names of its president and its treasurer, and the name of its connected organization (if any) and the city and State in which located."

Subtitle B—Expenditures

PART I—PERSONAL LOANS; CREDIT

SEC. 211. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by inserting at the end thereof the following new subsection:

"(i) LIMITATIONS ON PAYMENTS TO CANDIDATES.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle no contributions after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family (as defined in section 501(6)) may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors."

SEC. 212. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) by striking "or" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; or"; and

(3) by inserting at the end thereof the following new clause:

"(iii) with respect to a candidate for the office of United States Senator and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mass mailings mail (including mass mail fund solicitations) or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period (not in excess of 60 days) for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished (the date of the mailing in the case of advertising by a mass mailing)."

PART II—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

SEC. 215. LIMITATIONS ON CONTRIBUTIONS TO STATE POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO STATE PARTY.—Paragraph (1) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to the political committee designated by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Paragraph (2) of section 315(a) of FECA (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to the political committee designated by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000; or".

(c) INCREASE IN OVERALL LIMIT.—Paragraph (3) of section 315(a) of FECA (2 U.S.C. 441a(a)(3)) is amended by adding at the end thereof the following new sentence: "The limitation under this paragraph shall be increased (but not by more than $5,000) by the amount of contributions made by an individual during a calendar year to political committees designated by State committees of a political party for purposes of paragraphs (1)(C) and (2)(C)."

SEC. 216. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) EXPENDITURES BY STATE COMMITTEES IN CONNECTION WITH PRESIDENTIAL CAMPAIGNS.—Section 315(d) of FECA (2 U.S.C. 441a(d)) is amended by inserting at the end thereof the following new paragraph:

"(4) A State committee of a political party, including subordinate committees of that State committee, shall not make expenditures for activities described in section 325(b) (1) and (2) with respect to the general election campaign of a candidate for President of the United States who is affiliated with such party which, in the aggregate, exceed an amount equal to 4 cents multiplied by the voting age population of the State, as certified under subsection (e)."

(b) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended—

(A) in clause (v) by striking the semicolon at the end thereof and inserting "or with respect to a mass mailing of such a listing;";

(B) in clause (xi)—

(i) by striking "direct mail" and inserting "mass mailing"; and

(ii) by striking the semicolon at the end thereof and inserting "and are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;"; and

(C) by repealing clauses (x) and (xii).

(2) Section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)) is amended—

(A) in clause (iv) by striking the semicolon at the end thereof and inserting "or with respect to a mass mailing of such a listing;"; and

(B) by repealing clauses (viii) and (ix).

(c) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—(1) Title III of FECA, as amended by section 102, is amended by inserting after section 324 the following new section:

"POLITICAL PARTY COMMITTEES

"SEC. 325. (a) Any amount solicited, received, or expended directly or indirectly by a national, State, district, or local committee of a political party (including any subordinate committee) with respect to an activity which, in whole or in part, is in connection with an election to Federal office shall be subject in its entirety to the limitations, prohibitions, and reporting requirements of this Act.

"(b) For purposes of subsection (a)—

"(1) Any activity which is solely for the purpose of influencing an election for Federal office is in connection with an election for Federal office.

"(2) Except as provided in paragraph (3), any of the following activities during a Federal election period shall be treated as in connection with an election for Federal office:

"(A) Voter registration and get-out-the-vote activities.

"(B) Campaign activities, including broadcasting, newspaper, magazine, billboard, mass mail, and newsletter communications, and similar kinds of communications or public advertising that—

"(i) are generic campaign activities; or

"(ii) identify a Federal candidate regardless of whether a State or local candidate is also identified.

"(C) The preparation and dissemination of campaign materials that are part of a generic campaign activity or that identify a Federal candidate, regardless of whether a State or local candidate is also identified.

"(D) Maintenance of voter files.

"(E) Any other activity affecting (in whole or in part) an election for Federal office.

"(3) The following shall not be treated as in connection with a Federal election:

"(A) Any amount described in section 301(8)(B)(viii).

"(B) Any amount contributed to a candidate for other than Federal office.

"(C) Any amount received or expended in connection with a State or local political convention.

"(D) Campaign activities, including broadcasting, newspaper, magazine, billboard, mass mail, and newsletter communications, and similar kinds of communications or public advertising that are exclusively on behalf of State or local candidates and are not activities described in paragraph (2)(A).

"(E) Administrative expenses of a State or local committee of a political party, including expenses for—

"(i) overhead;

"(ii) staff (other than individuals devoting a substantial portion of their activities to elections for Federal office);

"(iii) meetings; and

"(iv) conducting party elections or caucuses.

"(F) Research pertaining solely to State and local candidates and issues.

"(G) Maintenance of voter files other than during a Federal election period.

"(H) Activities described in paragraph (2)(A) which are conducted other than during a Federal election period.

"(I) Any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office.

"(4) For purposes of this subsection, the term 'Federal election period' means the period—

"(A) beginning on the date which is 60 days before the primary election for any regularly scheduled general election for Federal office; and

"(B) ending on the date of the general election.

"(c) TRANSFERS BETWEEN COMMITTEES.—(1) Except as provided in paragraph (2), the limitations on contributions contained in paragraphs (1) and (2) of section 315(a) shall apply to transfers between and among political committees described in subsection (a).

"(2)(A) A national committee may not solicit or accept contributions not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(B) Subparagraph (A) and paragraph (1) shall not apply to contributions that—

"(i) are to be transferred to a State committee for use directly for activities described in subsection (b)(3); or

"(ii) are to be used by the committee primarily to support such activities."

(2) Section 315(d) of FECA (2 U.S.C. 441a(d)), as amended by subsection (a), is amended by adding at the end thereof the following new paragraph:

"(5) The national committee of a political party, the congressional campaign committees of a political party, and a State or local committee of a political party, including a subordinate committee of any of the preceding committees, shall not make expenditures during any calendar year for activities described in section 325(b) (1) and (2) with respect to such State which, in the aggregate, exceed an amount equal to 30 cents multiplied by the voting age population of the State (as certified under subsection (e)). This paragraph shall not authorize a committee to make expenditures to which paragraph (3) or (4) applies in excess of the limit applicable to such expenditures under paragraph (3) or (4). No adjustment to the limitation under this paragraph shall be made under subsection (c) before 1992 and the base period for purposes of any such adjustment shall be 1990."

(3) Paragraph (4) of section 315(a) (2 U.S.C. 441a(a)(4)) is amended by striking the first sentence thereof.

(d) GENERIC ACTIVITIES.—Section 301 of FECA (2 U.S.C. 431), as amended by section 201(b), is amended by adding at the end thereof the following new paragraph:

"(22) The term 'generic campaign activity' means a campaign activity the preponderant purpose or effect of which is to promote a political party rather than any particular Federal or non-Federal candidate."

SEC. 217. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 211, is amended by adding at the end thereof the following new subsection:

"(j) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS.—(1) For purposes of this Act, a candidate for Federal office (or an individual holding Federal office) may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under this Act, or are not from sources prohibited by this Act with respect to elections to Federal office.

"(2) The appearance or participation by a candidate or individual in any activity (including fundraising) conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if—

"(A) such appearance or participation is otherwise permitted by law; and

"(B) such candidate or individual does not solicit or receive, or make expenditures from, any funds resulting from such activity.

"(3) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law."

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of FECA (2 U.S.C. 441a), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(k) TAX-EXEMPT ORGANIZATIONS.—(1) Except as provided in paragraph (2), if an individual—

"(A) established, maintains, or controls any organization described in section 501(c) of the Internal Revenue Code of 1986; and

"(B) is a candidate for, or holds, Federal office at any time during any calendar year, such individual may not solicit contributions to, or accept contributions on behalf of, such organization from any person during such calendar year which, in the aggregate, exceed $5,000.

"(2) If during any period an individual is a candidate for, or holds, Federal office, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns."

SEC. 218. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end thereof the following new subsection:

"(d) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 325 applies shall report all receipts and disbursements in connection with a Federal election (as determined under section 325).

"(3) Any political committee to which section 325 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 325(c) and the reason for the transfer.

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election (as determined by the Commission).

"(5) If any receipt or disbursement to which this subsection applies exceeds $200, the political committee shall include identification of the person from whom, or to whom, such receipt or disbursement was made.

"(6) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a)."

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)), as amended by section 201, is amended by inserting at the end thereof the following:

"(D) The exclusions provided in subparagraphs (v) and (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions in excess of $200 shall be reported."

(c) REPORTING OF EXEMPT EXPENDITURES.—Section 301(9) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)), as amended by section 201, is amended by inserting at the end thereof the following:

"(D) The exclusions provided in subparagraph (iv) of subparagraph (B) shall not apply for purposes of any requirement to report expenditures under this Act, and all such expenditures in excess of $200 shall be reported."

(d) CONTRIBUTIONS AND EXPENDITURES OF POLITICAL COMMITTEES.—Section 301(4) of FECA (2 U.S.C. 431(4)) is amended by adding at the end thereof the following:

"For purposes of this paragraph, the receipt of contributions or the making of, or obligating to make, expenditures shall be determined by the Commission on the basis of facts and circumstances, in whatever combination, demonstrating a purpose of influencing any election for Federal office, including, but not limited to, the representations made by any person soliciting funds about their intended uses; the identification by name of individuals who are candidates for Federal office or of any political party, in general public political advertising; and the proximity to any primary, runoff, or general election of general public political advertising designed or reasonably calculated to influence voter choice in that election."

(e) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

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

(f) REPORTS BY LARGE CONTRIBUTORS.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (e), is amended by adding at the end thereof the following new subsection:

"(f) REPORTS BY LARGE CONTRIBUTORS.—(1) Any individual who makes contributions subject to the limitations of section 315(a)—

"(A) shall report to the Commission within 7 days after such contributor makes contributions aggregating $10,000 or more during any calendar year; and

"(B) thereafter, shall report to the Commission within 7 days after each time such contributor makes contributions (not yet reported) aggregating $5,000 or more.

Any report shall include identification of the contributor, the name of the candidate or committee to whom the contributions were made, and the amount of the contributions.

"(2) Any candidate for Federal office, any authorized committee of a candidate, or any political committee soliciting contributions subject to the limitations of section 315(a) shall include with such solicitation notice of—

"(A) the requirement to report under paragraph (1); and

"(B) the aggregate limitation on such contributions under section 315(a)(3)."

Subtitle C—Contributions

SEC. 221. LIMITS ON CONTRIBUTIONS BY CERTAIN POLITICAL COMMITTEES.

(a) LIMITATION ON AMOUNT OF CONTRIBUTIONS THAT MAY BE ACCEPTED.—Section 315(d) of FECA (2 U.S.C. 441a(d)), as amended by section 216, is amended—

(1) in paragraph (1) by striking "(2) and (3)" and inserting "(2), (3), (6), and (7)"; and

(2) by adding at the end thereof the following new paragraphs:

"(6) A congressional campaign committee of a political party (including any subordinate committee thereof) shall not accept, during an election cycle, contributions from multicandidate political committees and separate segregated funds which, in the aggregate, exceed 30 percent of the total expenditures which such committee may make pursuant to section 315(d)(3) during that election cycle.

"(7) A national committee of a political party (including any subordinate committee thereof) shall not accept, during an election cycle, contributions from multicandidate political committees and separate segregated funds which, in the aggregate, exceed an amount equal to 2 cents multiplied by the voting age population of the United States, as certified under subsection (e).

"(8)(A)(i) Any expenditure made by a national or State committee of a political party, a congressional campaign committee, or any subordinate committee of the preceding committees, for general public political advertising which clearly identifies a candidate for Federal office by name shall be subject to the limitations of paragraphs (1) and (2).

"(ii) Clause (i) shall not apply to expenditures for mass mailings designed primarily for fundraising purposes which make only incidental reference to any one or more Federal candidates.

"(B) For purposes of paragraph (3), any expenditure by a committee described in subparagraph (A) for any solicitation of contributions which clearly identifies any candidate on whose behalf such contributions are being solicited shall be treated for purposes of this paragraph as an expenditure in connection with the general election campaign of such candidate, except that if more than 1 candidate is identified, such expenditure shall be allocated on a pro rata basis among such candidates."

(b) CONGRESSIONAL CAMPAIGN COMMITTEE.—Section 301 of FECA (2 U.S.C. 431), as amended by section 216(d), is amended by adding at the end thereof the following new paragraph:

"(23) The term 'congressional campaign committee' means the Democratic Senatorial Campaign Committee, the National Republican Senatorial Committee, the Democratic Congressional Campaign Committee, and the National Republican Congressional Committee."

(c) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1990.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received on or before the date of the enactment of this Act; or

(B) contributions made to, or received by, a candidate after such date, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate on or before such date, over

(ii) such contributions received by the candidate on or before such date.

SEC. 222. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection—

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions made or arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the conduit or intermediary rather than the intended recipient; or

"(ii) the conduit or intermediary is—

"(I) a political committee other than an authorized committee;

"(II) an officer, employee, or agent of such a political committee; or

"(III) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.); or

"(IV) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C) For purposes of this section—

"(i) the term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, including contributions arranged to be made in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting; and

"(ii) the term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(IV):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

"(III) Soliciting contributions for a particular candidate by substantially directing

the solicitations to other officers, employees, or agents of such a person.

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient."

SEC. 223. EXCESS CAMPAIGN FUNDS.

(a) IN GENERAL.—Section 313 of FECA (2 U.S.C. 439a) is amended by inserting "(a)" before "Amounts", and by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding subsection (a), amounts described in subsection (a) that otherwise may be used to defray the costs of any ordinary and necessary expenses incurred in connection with an individual's duties as a holder of the office of United States Senator shall not be used to defray such costs which are expenditures with respect to such individual.

"(2) For purposes of subsection (a), ordinary and necessary expenses for the travel of the spouse or children of an individual holding the office of United States Senator between Washington, D.C. and the State from which such individual holds such office shall be treated as in connection with such individual's duties as a holder of Federal office unless such expenditures are expenditures with respect to such individual.

"(3) For purposes of this subsection, the term 'expenditure' has the meaning given such term by section 501(13)."

(b) CONTRIBUTIONS TO OFFICIAL OFFICE ACCOUNTS.—Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) A political committee (other than the principal campaign committee of a holder of Federal office) shall not make any contribution, expenditure, or disbursement, or transfer any amount, for the purpose of defraying expenses incurred by the holder of Federal office in connection with the officeholder's official duties.

SEC. 224. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 217, is amended by adding at the end thereof the following new subsection:

"(l) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them."

Subtitle D—Reporting Requirements

SEC. 231. REPORTING REQUIREMENTS.

(a) PERIODS FOR REPORTING.—(1) Section 304(b)(2) of FECA (2 U.S.C. 434(b)(2)) is amended by striking "for the reporting period and calendar year," and inserting "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(2) Section 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amended by striking out "for the reporting period and calendar year," and inserting in lieu thereof "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(3) Section 304(b)(3) of FECA (2 U.S.C. 434(b)(3)) is amended by inserting "(within the election cycle in the case of authorized committees)" after "calendar year" in subparagraphs (A), (F), and (G) thereof.

(4) Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by inserting after "(within the election cycle in the case of authorized committees)" after "calendar year".

(5) Section 304(b)(6)(A) of FECA (2 U.S.C. 434(b)(6)(A)) is amended by striking out "calendar year" and inserting in lieu thereof "election cycle".

(b) PERSONAL AND CONSULTING SERVICES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end thereof the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to the candidate or his authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

TITLE III—FEDERAL ELECTION COMMISSION

SEC. 301. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

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

"(B) A political committee that is not an authorized committee shall not include the name of any candidate in its name in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate."

SEC. 302. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end thereof;

(2) in subparagraph (B) by striking the period at the end thereof and inserting "; and"; and

(3) by inserting the following new subparagraph at the end thereof:

"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year."

(b) FILING DATE.—Section 304(a)(4)(B) of FECA (2 U.S.C. 434(a)(4)(B)) is amended by striking "20th" and inserting "15th".

SEC. 303. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) ACTION BY THE COMMISSION THROUGH ITS GENERAL COUNSEL.—(1) Section 306(c) of FECA (2 U.S.C. 437c(c)) is amended to read as follows:

"(c)(1) Subject to paragraph (2), all decisions of the Commission with respect to the exercise of its duties and powers under this Act or under chapter 95 or 96 of the Internal Revenue Code of 1986 shall be made by the affirmative vote of 4 members of the Commission.

"(2) On questions relating to—

"(A) the exercise of the Commission's authority under section 307(a) (3) and (4);

"(B) a determination under section 309(a)(2) concerning whether there is reason to believe that a person may have committed or may be about to commit a violation of law; and

"(C) a determination to initiate or proceed with an investigation,

the general counsel of the Commission shall make a recommendation for action by the Commission, and such action shall be taken upon the affirmative vote of 3 members of the Commission.

"(3) A member of the Commission may not delegate to any person the member's power to vote or any other decisionmaking authority or duty vested in the Commission."

(2) Section 309(a)(2) of FECA (2 U.S.C. 437g(a)(2)) is amended by striking ", by an affirmative vote of 4 of its members,".

(b) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by inserting at the end thereof the following new paragraph:

"(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed."

(c) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting "and the general counsel" after "staff director" in the second sentence thereof; and

(2) by striking the third sentence thereof.

SEC. 304. RETENTION OF FEES BY THE COMMISSION.

Section 306 of FECA (2 U.S.C. 437c) is amended by inserting at the end thereof the following new subsection:

"(g) Fees collected by the Commission for copying and certification of records and provision of other materials to the public shall not be covered into the general fund of the Treasury of the United States, but shall be kept in a separate account and shall be available to the Commission, without necessity of an appropriation, for use in carrying out this Act."

SEC. 305. ENFORCEMENT.

(a) BASIS FOR ENFORCEMENT PROCEEDING.—Section 309(a)(2) of FECA (2 U.S.C. 437g(a)(2)) is amended by striking "it has reason to believe that a person has committed, or is about to commit" and inserting "facts have been alleged or ascertained that, if true, give reason to believe that a person may have committed, or may be about to commit".

(b) AUTHORITY TO SEEK INJUNCTION.—(1) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by adding at the end thereof the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

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

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

"(iv) the public interest would be best served by the issuance of an injunction,

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

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found."

(2) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(A) in paragraph (7) by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(B) in paragraph (11) by striking "(6)" and inserting "(6) or (13)".

SEC. 306. PENALTIES.

(a) PENALTIES PRESCRIBED IN CONCILIATION AGREEMENTS.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking "which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation" and inserting "which is—

"(i) not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

"(ii) not greater than all contributions and expenditures involved in the violation".

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking "which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation" and inserting "which is—

"(i) not less than all contributions and expenditures involved in the violation; and

"(ii) not greater than 150 percent of all contributions and expenditures involved in the violation".

(b) PENALTIES WHEN VIOLATIONS ARE ADJUDICATED IN COURT.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows "appropriate order" and inserting ", including an order for a civil penalty in the amount determined under subparagraph (A) or (B) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found."

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows "other order" and inserting ", including an order for a civil penalty which is—

"(i) not less than all contributions and expenditures involved in the violation; and

"(ii) not greater than 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 of chapter 96 of the Internal Revenue Code of 1986."

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking "a civil penalty" and all that follows and inserting "a civil penalty which is—

"(i) not less than 200 percent of all contributions and expenditures involved in the violation; and

"(ii) not greater than 250 percent of all contributions and expenditures involved in the violation."

(c) TIME PERIODS FOR CONCILIATION.—Section 309(a)(4)(A) of FECA (2 U.S.C. 437g(a)(4)(A)) is amended—

(1) in clause (i) by striking "30 days" and inserting "15 days";

(2) in clause (i) by striking "90 days" and inserting "60 days"; and

(3) in clause (ii) by striking "at least 15 days" and inserting "no more than 30 days".

SEC. 307. RANDOM AUDITS.

Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

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

(2) by inserting at the end thereof the following new paragraph:

"(2) Notwithstanding paragraph (1), and subject to the provisions of section 507, the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process."

SEC. 308. ATTRIBUTION OF COMMUNICATIONS.

Section 318(a) of FECA (2 U.S.C. 441d(a)) is amended to read as follows:

"(a)(1)(A) Except as permitted under paragraph (2), if—

"(i) any person makes an expenditure or independent expenditure for the purpose of financing a communication expressly advocating the election or defeat of a clearly identified candidate, or solicits a contribution by a communication through a broadcasting station, newspaper, magazine, outdoor advertising facility, mass mailing, or other type of general public political advertising; or

"(ii) an authorized committee registered under section 303 makes a communication of any kind,

the requirements of subparagraph (B) shall be met with respect to such communication.

"(B) For purposes of subparagraph (A), the requirements of this subparagraph are as follows:

"(i) In the case of a broadcast paid for by the candidate, an authorized committee of the candidate, any agent of either, or any other person authorized to make such payment by such candidate or committee, the broadcast shall include a full screen personal appearance by the candidate (or in the case of a radio broadcast, an audio statement by the candidate) in which the candidate states:

"(I) 'I am a candidate for (the office the candidate is seeking) and I have approved the contents of this broadcast'; and

"(II) that the broadcast has been paid for by the candidate, the candidate's authorized committee, or the agent of either, or that the broadcast has been paid for by such other person and authorized by such candidate or committee.

"(ii) In the case of any other communication paid for and authorized by a candidate, an authorized committee of a candidate, or its agents, or any other person authorized by such candidate or committee, the communication shall clearly state that the communication has been paid for by such candidate or authorized committee or by such other person and authorized by such candidate or authorized committee.

"(iii) If the communication is paid for by an independent expenditure, the communication shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's authorized committee.

"(2) The Commission may waive the requirements of paragraph (1) in circumstances in which the inclusion of the required information in a communication would be impracticable."

SEC. 309. FRAUDULENT SOLICITATION OF CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting "(a)" before "No"; and

(2) by inserting at the end thereof the following new subsection:

"(b) No person shall—

"(1) make a fraudulent misrepresentation that the person is authorized to solicit or accept a contribution to a candidate or political committee; or

"(2) solicit or accept a contribution to a candidate or political committee unless the person—

"(A) intends to, and does, pay over to the candidate or political committee any contribution received; and

"(B) inform the candidate or political committee of the name of the contributor."

TITLE IV—MISCELLANEOUS

SEC. 401. RESTRICTION OF CONTROL OF CERTAIN TYPES OF POLITICAL COMMITTEES BY INCUMBENTS IN OR CANDIDATES FOR FEDERAL OFFICE.

Section 302 of FECA (2 U.S.C. 432) is amended by adding at the end thereof the following new subsection:

"(j) An incumbent in or candidate for Federal office may not establish, maintain, or control a political committee, other than an authorized committee of the candidate or a committee of a political party."

SEC. 402. POLLING DATA CONTRIBUTED TO A SENATORIAL CANDIDATE.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 218, is amended by inserting at the end thereof the following new subparagraph:

"(E) A contribution of polling data to a candidate for the office of United States Senator shall be valued at the fair market value of the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.

SEC. 403. MASS MAILINGS.

Section 301 of FECA (2 U.S.C. 431), as amended by section 221(c), is amended by adding at the end thereof the following new paragraph:

"(24) The term 'mass mailing' means newsletters and similar mailings of more than 100 pieces in which the content of the matter mailed is substantially identical, excluding—

"(A) mailings made in direct response to communications from persons to whom the matter is mailed;

"(B) mailings to Federal, State, or local government officials; and

"(C) news releases to the communications media."

SEC. 404. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1991.

SEC. 405. SENSE OF SENATE REGARDING USE OF OFFICIAL FUNDS.

It is the sense of the Senate that appropriate prohibitions and restrictions be placed on the use of employees of the Executive Office of the President, the official residence of the Vice President, and official travel of the President, Vice President, and other Executive branch officers and employees in connection with political fundraising and political campaigning.

McCONNELL (AND NICKLES) AMENDMENT NO. 2433

Mr. McCONNELL (for himself and Mr. NICKLES) proposed an amendment, which was subsequently modified to amendment No. 2432 proposed by Mr. BOREN (and others) to the bill S. 137, supra, as follows:

On page 9, line 4, strike the comma and insert a semicolon.

On page 9, strike lines 5 and 6.

On page 9, strike lines 15 through 19.

On page 20, strike line 3 and all that follows through page 22, line 22.

On page 22, line 24, and page 23, lines 1 and 2, strike "who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (2) and (3) of subsection (b)".

On page 23, line 3, strike "from such payments—to defray expenditures".

On page 23, line 5, after "section 503(b)" insert "in amounts equal to the amount of any independent expenditures in opposition to such eligible candidate".

On page 24, strike lines 3 through 21.

On page 25, strike lines 3 through 20.

On page 26, strike line 3 and all that follows through page 29, line 19.

On page 30, strike lines 11 through 22.

On page 32, strike lines 1 through 8.

On page 32, strike lines 13 through 15.

On page 37, strike lines 1 through 9.

On page 46, strike line 20 and all that follows through page 47, line 17.

On page 51, lines 19, 20, and 21, strike "to the Secretary of the Treasury for payment of any amount to which such eligible candidate is entitled under section 5040.

On page 51, strike line 22 and all that follows through page 52, line 11.

On page 54, strike lines 16 through 20.

On page 20, strike lines 1 and 2.

On page 48, strike line 1 and all that follows through page 49, line 2.

POLISH DEBT REDUCTION

SIMON AMENDMENT NOS. 2434 AND 2435

Mr. BOREN (for Mr. SIMON) proposed two amendments to the resolution (S. Res. 293) concerning Polish debt reduction, as follows:

AMENDMENT No. 2434

Strike out all after the resolving clause, and insert in lieu thereof the following:

"That is the sense of the Senate that—

"the President of the United States, through the Secretary of the Treasury, should immediately entered into discussion with the G-7 governments to seek innovative approaches to significantly reduce Poland's officially held debt in as quick a timetable as possible;

"the President of the United States, through the Secretary of the Treasury, with the concurrence of Congress, should take steps to explore options to significantly reduce the officially held Polish debt, if other nations will join in this important step."

AMENDMENT No. 2435

In the sixth Whereas clause, strike out "approximately $40,000,000,000" and insert in lieu thereof "nearly $41,000,000,000";

In the eighth Whereas clause, strike out "80" and insert in lieu thereof "70";

In the tenth Whereas clause, strike out "or forgiving".

PERSONNEL RIGHTS OF EXCEPTED SERVICES EMPLOYEES

PRYOR AMENDMENT NO. 2436

Mr. BOREN (for Mr. PRYOR) proposed an amendment to the bill (H.R. 3086) to amend title 5, United States Code, to grant appeal rights to members of the excepted service affected by adverse personnel actions, and for other purposes, as follows:

On page 10, strike out lines 12 through 16 and insert in lieu thereof the following:

(b) ACTIONS BASED ON UNACCEPTABLE PERFORMANCE.—Section 4303(e) of title 5, United States Code, is amended to read as follows:

"(e) Any employee who is—

"(1) a preference eligible;

"(2) in the competitive service; or

"(3) in the excepted service and covered by subchapter II of chapter 75,

and who has been reduced in grade or removed under this section is entitled to appeal the action to the Merit Systems Protection Board under section 7701.".

TRIBALLY CONTROLLED COLLEGES ACT AMENDMENTS

INOUYE (AND PRESSLER) AMENDMENTS NO. 2437

Mr. BOREN (for Mr. INOUYE, for himself and Mr. PRESSLER) proposed an amendment to the bill (H.R. 5040) to extend the authorizations of appropriations for the Tribally Controlled Community College Assistance Act of 1978 and the Navajo Community College Act, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. TRIBALLY CONTROLLED COMMUNITY COLLEGES.

(a) STUDENT COUNT.—(1) Section 108(a)(1) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1808(a)) is amended to read as follows:

"(1) the Indian student count at such college during the academic year preceding the academic year for which such funds are being made available, as determined by the Secretary in accordance with section 2(a)(7); and".

(2) Section 108(b)(1) of such Act is amended to read as follows:

"(1) The Secretary shall make payments, pursuant to grants under this Act, of not less than 95 percent of the funds available for allotment by October 15 or no later than 14 days after appropriations become available, with a payment equal to the remainder of any grant to which a grantee is entitled to be made no later than January 1 of each fiscal year.".

(3) The last subsection of section 108 of such Act, which is designated as subsection (c), is hereby designated as subsection (d).

(b) AUTHORIZATIONS.—(1) Section 110(a)(1) of such Act (25 U.S.C. 1810(a)(1)) is amended by deleting "1987, 1988, 1989, and 1990" and inserting in lieu thereof "1990 and 1991, and for fiscal year 1992, such sums as may be necessary".

(2) Section 110(a)(2) of such Act is amended by deleting "1987, 1988, 1989, and 1990" and inserting in lieu thereof "1990 and 1991, and for fiscal year 1992, such sums as may be necessary".

(3) Section 110(a)(3) of such Act is amended by deleting "1987, 1988, 1989, and 1990" and inserting in lieu thereof "1990, 1991, and 1992".

(c) ALLOCATION.—(1) Section 111(a)(1)(A) of such Act is amended to read as follows:

"(A) the Secretary shall first allocate to each such applicant which received funds under section 107 for the preceding fiscal year an amount equal to 95 percent of the payment received by such applicant under section 108;".

(2) Section 111(a)(1)(B)(ii) of such Act is amended to read as follows:

"(ii) the applicant's projected Indian student count for the academic year for which payment is being made;".

(d) ENDOWMENTS.—(1) Title III of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1831 et seq.) is amended—

(A) by striking out "equal to" in section 302(b)(2)(B) and inserting in lieu thereof "(or of a value) equal to half of",

(B) by striking out "an equal amount of Federal capital contribution" in section 302(b)(4) and inserting in lieu thereof "an amount of Federal capital contribution equal to twice the amount of (or value of) such withdrawal",

(C) by adding at the end of section 304 the following: "Any real or personal property received by a tribally controlled community college as a donation or gift on or after the date of the enactment of this sentence may, to the extent of its fair market value as determined by the Secretary, be used by such college as its contribution pursuant to section 302(b)(2)(B), or as part of such contribution, as the case may be. In any case in which any such real or personal property so used is thereafter sold or otherwise disposed

of by such college, the proceeds therefrom shall be deposited pursuant to section 302(b)(2)(B) but shall not again be considered for Federal capital contribution purposes.";

(D) by inserting "twice the value of the property or" after "equal to" in section 305 each place it appears,

(E) by striking out "$350,000" in section 305(a) and inserting in lieu thereof "$750,000", and

(F) by striking out "and 1990" in section 306(a) and inserting in lieu thereof "1990 and 1991, and for fiscal year 1992, $10,000,000".

(2) The amendments made by paragraphs (A) through (E) of subsection (a) shall take effect October 1, 1991.

SEC. 2. NAVAJO COMMUNITY COLLEGE.

(a) AUTHORIZATION.—Paragraph (1) of section 5(a) of the Navajo Community College Act (25 U.S.C. 640c-1) is amended by striking out "1987, 1988, 1989, and 1990" and inserting in lieu thereof "1990, 1991, and 1992".

(b) INVENTORY.—Section 4 of such Act (25 U.S.C. 640c) is amended by adding at the end thereof the following new subsection:

"(c) No later than March 1991, an inventory prepared by the Navajo Community College identifying repairs, alterations, and renovations to facilities required to meet health and safety standards shall be submitted to the Secretary and appropriate committees of Congress. Within 60 days following the receipt of such inventory, the Secretary shall review the inventory, evaluating the needs identified, and transmit the written comments of the Department of the Interior to the appropriate committees of Congress, together with the Department's evaluation prepared by the health and safety division of the Bureau of Indian Affairs.".

SEC. 3. GIFTED AND TALENTED PROGRAMS.

Title IV of the Augustus F. Hawkins, Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 is amended by—

(1) redesignating sections 4008 and 4009 as sections 4010 and 4011, respectively; and

(2) inserting after section 4007 the following new sections:

"SEC. 4008. AMERICAN SAMOAN AND GUAMANIAN GIFTED AND TALENTED DEMONSTRATION PROGRAM.

"(a) GIFTED AND TALENTED DEMONSTRATION AUTHORITY.—(1) The Secretary shall provide a grant to, or enter into a contract with, the governments of American Samoa and Guam—

"(A) to establish a Gifted and Talented Center in American Samoa and Guam; and

"(B) for demonstration projects designed to—

"(i) address the special needs of American Samoan and Guamanian elementary and secondary school students who are gifted and talented students; and

"(ii) provide support services to their families that are needed to enable such students to benefit from the project.

Such a grant or contract shall be subject to the availability of appropriated funds and, contingent on satisfactory performance by the grantee, shall be provided for a term of 4 years.

"(2) After the term of each grant or contract provided, or entered into, under paragraph (1) has expired, the Secretary may, for the purposes described in subparagraphs (A) and (B) of paragraph (1), provide a grant to, or enter into a contract with, an accredited institution of higher education in American Samoa and Guam. Such grant or contract shall be provided on an annual basis. The grantees shall be authorized to subcontract when appropriate.

"(3) The governments of American Samoa or Guam or any accredited institution of higher education receiving a grant or entering into a contract under this subsection may enter into a contract with any other person for the purpose of carrying out the demonstration projects for which such grant was awarded or for which the contract was entered into by the Secretary.

"(4) The centers described in subparagraph (A) of paragraph (1) shall participate in a national network of Native Hawaiian, American Indian and Alaska Native Gifted and Talented Centers.

"(b) USES OF FUNDS.—Demonstration projects funded under this section may include—

"(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to—

"(A) the development of criteria for identifying gifted and talented American Samoan and Guamanian students;

"(B) the emotional and psychosocial needs of these children; and

"(C) the provision of support services to their families that are needed to enable these students to benefit from the projects;

"(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the education needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Native languages and exposure to cultural traditions;

"(3) the use of educational technology, including video and computers, in meeting the special educational needs of such gifted and talented children;

"(4) leadership programs, including the dissemination of information derived from the demonstration projects conducted under this section; and

"(5) appropriate research, evaluation, and related activities pertaining to—

"(A) the needs of such children;

"(B) the provision of those support services to their families that are needed to enable such children to benefit from the projects; and

"(C) teacher training.

"(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the amounts appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(d) ADVISORY COUNCIL.—(1) The Secretary, in cooperation with appropriate local educational agencies, shall establish an advisory council (hereafter in this section referred to as the 'Council') within 1 year after enactment of this section.

"(2) The purpose of the Council shall be to—

"(A) advise in the development of criteria to identify gifted and talented children;

"(B) advise in the development of programs to meet the special needs of such children, which may include using the Native Hawaiian Gifted and Talented Center as a resource;

"(C) monitor the implementation of the gifted and talented programs and recommend changes, as appropriate; and

"(D) study and report on the feasibility of establishing gifted and talented programs in Pacific territories and possessions of the United States other than American Samoa and Guam and report to the appropriate committees of Congress within one year after the establishment of the Council.

"(3) The Council shall be composed of—

"(A) representatives of educational institutions, public schools, agencies, organizations and associations in American Samoa and Guam and throughout the Pacific Basin associated with the education of Pacific Basin children; and

"(B) individuals in American Samoa and Guam and throughout the Pacific Basin who have a special knowledge of and special competence in working with Pacific Basin Islanders and problems in the Pacific Basin, including education, health and economic problems.

"(4) The Secretary of Education shall appoint the members of the Council from recommendations made by the governments of American Samoa and Guam and the United States Department of Education.

"(5) The Council shall elect its chairman from among its members.

"(6) The Council may reserve not more than 15 percent of the funds appropriated pursuant to the authority of paragraph (8) for administrative purposes, including staff salaries.

"(7) While away from their homes or regular places of business in the performance of duties for the Commission, all members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at a rate established by the Commission not to exceed the rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

"(8) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

"(e) HIGHER EDUCATION SCHOLARSHIPS.—(1) The Secretary shall make grants to the governments of American Samoa and Guam for a demonstration program to provide higher education fellowship assistance to American Samoan and Guamanian students. The demonstration program under this section may include—

"(A) full or partial fellowship support for American Samoan and Guamanian students enrolled at an accredited 2- or 4-year degree granting institution of higher education with awards to be based on academic potential and financial need;

"(B) counseling and support services for such students receiving fellowship assistance pursuant to subparagraph (A);

"(C) college preparation and guidance counseling at the secondary school level for students who may be eligible for fellowship assistance pursuant to subparagraph (A);

"(D) appropriate research and evaluation of the activities authorized by this paragraph; and

"(E) implementation of faculty development programs for the improvement and matriculation of American Samoan and Guamanian students.

"(2) The Secretary shall make grants to the governments of American Samoa and Guam for a demonstration project of fellowship assistance for American Samoan and Guamanian students in postbaccalaureate degree programs. Such project may include—

"(A) full or partial fellowship support for American Samoan and Guamanian students enrolled at an accredited postbaccalaureate degree granting institution of higher education, with priority given to professions in which American Samoans and Guamanians are under-represented and with awards to

be based on academic potential and financial need;

"(B) counseling and support services for such subparagraph (A) students receiving fellowship assistance pursuant to subparagraph (A); and

"(C) appropriate research and evaluation of the activities authorized by this paragraph.

"(3) For the purpose of subparagraph (A) of paragraph (2) fellowship conditions shall be established whereby recipients obtain an enforceable contract obligation to provide their professional services, either during their fellowship or upon completion of postbaccalaureate degree program, to the American Samoan and Guamanian community within American Samoa and Guam.

"(4) Not more than 7 percent of the funds appropriated to carry out the provisions of this subsection for any fiscal year may be used for administrative purposes.

"(5)(A) In addition to any other amount authorized to be appropriated for programs described in this section, there are authorized to be appropriated $500,000 for each of the fiscal years 1991, 1992, 1993, and 1994, to carry out the provisions of this subsection, of which—

"(i) $250,000 shall be available to the government of American Samoa; and

"(ii) $250,000 shall be available to the government of Guam.

"(B) Funds appropriated pursuant to the authority of subparagraph (A) shall remain available until expended.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) the term 'American Samoan' means an individual who is a citizen or national of the United States, and is a descendant of the aboriginal people, who, prior to 1900, occupied and exercised sovereignty in the area which now comprises the Territory of American Samoa, as evidenced by—

"(A) written genealogical records;

"(B) public birth records; or

"(C) other public records on file with the archivist or High Court of American Samoa; and

"(2) the term 'Guamanian' means an individual who is a citizen or national of the United States and who is a resident of Guam.

"(g) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to any other amount authorized for programs described in this section, there are authorized to be appropriated $2,000,000 for each of the fiscal years 1991, 1992, 1993, and 1994, to carry out the provisions of this section of which—

"(A) $1,000,000 shall be available to the government of American Samoa; and

"(B) $1,000,000 shall be available to the government of Guam.

"(2) Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.

"SEC. 4009. ALASKA NATIVE GIFTED AND TALENTED DEMONSTRATION PROGRAM.

"(a) GIFTED AND TALENTED DEMONSTRATION AUTHORITY.—(1) The Secretary shall provide a grant to, or enter into a contract with, the Rural College of the University of Alaska, located in Fairbanks, Alaska, for—

"(A) the establishment of an Alaska Native Gifted and Talented Center (hereafter in this section referred to as the 'Center') at the Rural College of the University of Alaska, located in Fairbanks, Alaska; and

"(B) the creation of demonstration projects designed to—

"(i) address the special needs of Native Alaskan elementary and secondary school students who are gifted and talented students; and

"(ii) provide support services to their families that are needed to enable such students to benefit from the project.

Such a grant or contract shall be subject to the availability of appropriated funds and, contingent on satisfactory performance by the grantee, shall be provided for a term of 4 years.

"(2) The Center shall coordinate its activities with the activities of the Alaska Department of Education and school districts within the State, and shall participate in a national network of American Indian and Native Hawaiian Gifted and Talented Programs, and to the extent practicable, with other gifted and talented programs.

"(3) The Center shall establish an Advisory Committee. Such Advisory Committee shall—

"(A) advise the Center on the development of criteria to identify gifted and talented children;

"(B) advise the Center on the development of programs to meet the special needs of these children, which may include using the Native Hawaiian Gifted and Talented Center as a resource; and

"(C) monitor the implementation of the gifted and talented programs and recommend changes, as appropriate.

"(b) USES OF FUNDS.—Demonstration projects funded under this section may include—

"(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to—

"(A) the development of criteria for identifying gifted and talented Alaska Native students;

"(B) the emotional and psychosocial needs of these children; and

"(C) the provision of such support services to their families that are needed to enable these students to benefit from the projects;

"(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the education needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Alaska Native language and exposure to Alaska Native cultural traditions;

"(3) the use of educational technology, including computers and television, in meeting the special educational needs of such gifted and talented children;

"(4) leadership programs, including the dissemination of information derived from the demonstration projects conducted under this section; and

"(5) appropriate research, evaluation, and related activities pertaining to—

"(A) the needs of such children; and

"(B) the provision of those support services to their families that are needed to enable such children to benefit from the projects.

"(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the amounts appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for projects described in this section, there are authorized to be appropriated $1,000,000 for each of the fiscal years 1991, 1992, 1993 and 1994. Such sums shall remain available until expended.".

SEC. 4. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This section may be cited as the "Native American Language Act".

(b) FINDINGS.—The Congress finds that—

(1) the status of the cultures and languages of Native Americans is unique and the United States has the responsibility to act together with Native Americans to ensure the survival of these unique cultures and languages;

(2) special status is accorded Native Americans in the United States, a status that recognizes distinct cultural and political rights, including the right to continue separate identities;

(3) the traditional languages of Native Americans are an integral part of their cultures and identities and form the basic medium for the transmission, and thus survival, of Native American cultures, literatures, histories, religions, political institutions, and values;

(4) there is a widespread practice of treating Native Americans languages as if they were anachronisms;

(5) there is a lack of clear, comprehensive, and consistent Federal policy on treatment of Native American languages which has often resulted in acts of suppression and extermination of Native American languages and cultures;

(6) there is convincing evidence that student achievement and performance, community and school pride, and educational opportunity is clearly and directly tied to respect for, and support of, the first language of the child or student;

(7) it is clearly in the interests of the United States, individual States, and territories to encourage the full academic and human potential achievements of all students and citizens and to take steps to realize these ends;

(8) acts of suppression and extermination directed against Native American languages and cultures are in conflict with the United States policy of self-determination for Native Americans;

(9) languages are the means of communication for the full range of human experiences and are critical to the survival of cultural and political integrity of any people; and

(10) language provides a direct and powerful means of promoting international communication by people who share languages.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "Native American" means an Indian, Native Hawaiian, or Native American Pacific Islander.

(2) The term "Indian" has the meaning given to such term under section 5351(4) of the Indian Education Act of 1988 (25 U.S.C. 2651(4)).

(3) The term "Native Hawaiian" has the meaning given to such term by section 4009 of Public Law 100-297 (20 U.S.C. 4909).

(4) The term "Native American Pacific Islander" means any descendent of the aboriginal people of any island in the Pacific Ocean that is a territory or possession of the United States.

(5) The terms "Indian tribe" and "tribal organization" have the respective meaning given to each of such terms under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) The term "Native American language" means the historical, traditional languages spoken by Native Americans.

(7) The term "traditional leaders" includes Native Americans who have special expertise in Native American culture and Native American languages.

(8) The term "Indian reservation" has the same meaning given to the term "reservation" under section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452).

(d) POLICY.—It is the policy of the United States to—

(1) preserve, protect, and promote the rights and freedom of Native Americans to use, practice, and develop Native American languages;

(2) allow exceptions to teacher certification requirements for Federal programs, and programs funded in whole or in part by the Federal Government, for instruction in Native American languages when such teacher certification requirements hinder the employment of qualified teachers who teach in Native American languages, and to encourage State and territorial governments to make similar exceptions;

(3) encourage and support the use of Native American languages as a medium of instruction in order to encourage and support—

(A) Native Americans language survival,

(B) educational opportunity,

(C) increased student success and performance,

(D) increased student awareness and knowledge of their culture and history, and

(E) increased student and community pride;

(4) encourage State and local education programs to work with Native American parents, educators, Indian tribes, and other Native American governing bodies in the implementation of programs to put this policy into effect;

(5) recognize the right of Indian tribes and other Native American governing bodies to use the Native American languages as a medium of instruction in all schools funded by the Secretary of the Interior;

(6) fully recognize the inherent right of Indian tribes and other Native American governing bodies, States, territories, and possessions of the United States to take action on, and give official status to, their Native American languages for the purpose of conducting their own business;

(7) support the granting of comparable proficiency achieved through course work in a Native American language the same academic credit as comparable proficiency achieved through course work in a foreign language, with recognition of such Native American language proficiency by institutions of higher education as fulfilling foreign language entrance or degree requirements; and

(8) encourage all institutions of elementary, secondary and higher education, where appropriate, to include Native American languages in the curriculum in the same manner as foreign languages and to grant proficiency in Native American languages the same full academic credit as proficiency in foreign languages.

(e) RIGHTS.—The right of Native Americans to express themselves through the use of Native American languages shall not be restricted in any public proceeding, including publicly supported education programs.

(f) POLICIES AND PROCEDURES OF FEDERAL AGENCIES.—(1) The heads of the various Federal departments, agencies, and instrumentalities are directed to—

(A) evaluate their policies and procedures in consultation with Indian tribes and other Native American governing bodies as well as traditional leaders and educators in order to determine and implement changes needed to bring the policies and procedures into compliance with the provisions of this section;

(B) give the greatest effect possible in making such evaluations, absent a clear specific Federal statutory requirement to the contrary, to the policies and procedures which will give the broadest effect to the provisions of this section; and

(C) evaluate the laws which they administer and make recommendations to the President on amendments needed to bring such laws into compliance with the provisions of this section.

(2) By no later than the date that is 1 year after the date of enactment of this Act, the President shall submit to the Congress a report containing recommendations for amendments to Federal laws that are needed to bring such laws into compliance with the provisions of this section.

(g) USE OF FEDERAL FUNDS.—Nothing in this section shall be construed as precluding the use of Federal funds to teach English to Native Americans.

NOTICES OF HEARINGS

SUBCOMMITTEE ON URBAN AND MINORITY-OWNED BUSINESS DEVELOPMENT

Mr. BUMPERS. Mr. President, the Subcommittee on Urban and Minority-Owned Business Development of the Committee on Small Business has scheduled a hearing for Wednesday, August 1, 1990. The purpose of the hearing is to assess the impact on minority small business participation in Government contracting opportunities resulting from the Supreme Court's decision in City of Richmond versus J.A. Croson Co. The hearing is to be held in the Central Hearing Room, SH-216, commencing at 9:30 a.m. It will be chaired by Senator KERRY, chairman of the subcommittee.

On January 23, 1989, the U.S. Supreme Court issued its decision in City of Richmond versus J.A. Croson Co., striking down as a violation of the equal-protection clause of the 14th amendment a Richmond ordinance which prescribed a 30-percent set-aside for minority business enterprise. Under the Richmond ordinance, each prime contractor on a city-financed construction contract was required to subcontract at least 30 percent of the dollar value of the contract with minority-owned subcontractors. Applying the strict scrutiny standard of review, the Court found that: First, the Richmond City Council failed to adequately establish a record of prior discrimination—factual predicate—to substantiate the ordinance's set-aside remedy; second, even if the factual predicate of past discrimination had been properly established, the remedy selected—the 30 percent minority subcontracting requirement—was essentially arbitrary and not narrowly tailored; and third, the ordinance failed to provide an adequate waiver provision.

Following the Croson decision, minority business set-aside programs in several States and local jurisdictions were successfully challenged as unconstitutional and terminated by judicial action. Many other programs have been voluntarily suspended in the face of threatened legal action to permit their reassessment and modification to meet Croson standards. Reports from the minority business community strongly suggest that Croson decision has had a profoundly negative impact on minority small business programs across the Nation during the 18 months since the decision was issued.

The subcommittee will be seeking testimony relating to several central themes. First, what have been the practical implications of the Croson decision on existing programs to foster the participation of minority small business as Government contractors and subcontractors on procurements undertaken by State and local governments. Testimony in this regard is expected from Parren J. Mitchell, former chairman of the House Small Business Committee, who is now the chairman of the Minority Business Enterprise Legal Defense and Education Fund [MBELDEF].

Second, testimony will be sought on how various jurisdictions have sought to meet the Croson decision's stricter standards. Studies are underway in several jurisdictions to establish the factual predicate of past discrimination. Similarly, narrowly tailored remedial programs are being fashioned. The subcommittee will be exploring whether these efforts have generated one or more models that can be readily replicated. In this regard, the subcommittee will be hearing from Ray Marshall, former Secretary of Labor, and Andrew Brimmer, a former Governor of the Federal Reserve Board, who jointly directed a comprehensive study to establish a factual predicate and propose a remedial program for the city of Atlanta. The technical challenges of undertaking such a study will be explored along with the preconditions of adequate political and financial support from the community's leadership.

Third, testimony will be sought regarding whether even a targeted remedial program passing Croson's strict scrutiny standards would not benefit from supplementation by broader business development programs aimed at common small business problems, such as access to capital and credit. In revamping their minority small business participation programs, some jurisdictions have taken broad steps to eliminate barriers to participation in the Government contract market, such as access to bonding. The subcommittee will receive testimony in

this regard from a representative of the Commission on Minority Business Development, and other witnesses from the minority business community.

Finally, the subcommittee will be seeking recommendations regarding the appropriate roles to be played by the Congress. Are enhancements to existing Federal business development programs an appropriate response? Should Federal initiatives address the problems of access to capital, commercial credit, and surety bonding, for example, to provide a more level playing field? Are Federal foundations needed for the various minority small business programs maintained by State and local governments? The Supreme Court's recent decision in Metro Broadcasting versus FCC has recognized a substantially greater latitude for Congress in shaping programs that will benefit minority small businesses. How should this authority be used?

To focus on the constitutional parameters of the Croson decision's restraints on State and local governments and the greater latitude for congressional action recognized by the Court in 1980 in Fullilove versus Klutznick and this year in Metro Broadcasting, the subcommittee is looking forward to the testimony of Prof. Drew S. Days III of Yale Law School. Professor Days served as Assistant Attorney General for the Civil Rights Division in the Carter administration and played a major role in supporting the minority small business participation program challenged and upheld in Fullilove.

Further information concerning this subcommittee hearing may be obtained from the committee's procurement policy counsel, William B. Montalto; Bill may be reached at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERNATIONAL TRADE

Mr. BOREN. Mr. President, I ask unanimous consent that the Subcommittee on International Trade of the Committee on Finance be authorized to meet during the session of the Senate on July 30, 1990, at 2:30 p.m. to hold a hearing on the impact of environmental concerns on international trade.

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

ADDITIONAL STATEMENTS

DR. DAVID BAINES

● Mr. McCLURE. Mr. President, a recent article in the American Medical Association News is about a dedicated physician practicing in St. Maries, ID.

Dr. David Baines, a native American, is a partner in the St. Joe Valley Clinic in the small logging town of St. Maries in the panhandle region of north Idaho. Until recently, he contracted with the Coeur d'Alene Indian Tribe to provide services on the reservation located near St. Maries. Dr. Baines is president-elect of the Association of American Indian Physicians and sits on a National Institutes of Health committee for cardiopulmonary risk factors in minority populations.

Dr. Baines brings to his practice a sensitive insight into the health needs of native Americans. The AMA article provides some interesting reading about how traditional culture affects health care delivery to Indian people. For example, Dr. Baines talks about how many Indian languages simply do not have a future tense. Therefore, many Indians live in the here and now and it is difficult for them to understand how they must take medication today in order to feel better in the future.

I urge my Senate colleagues to take a few minutes to read this article and I ask that it be printed in the RECORD at this point.

The article follows:

[From The American Medical News, June 29, 1990]

MEDICINE MAN

(By Julie Titone)

ST. MARIES, ID.—One of his patients lives so much in the present that she can't understand the need to take medicine that will control her diabetes next week or next month. Another thinks his physician should know intuitively what's wrong with him. He wonders if a doctor can be any good if he has to rely on his patient's answers to make a diagnosis.

How does David Baines, MD, respond?

He understands that his patients are simply reflecting their Native American heritage, and he seeks ways to incorporate that heritage into Western medical practice. "The mainstream culture in this country is insensitive to other ways, whether your're black, Hispanic or Oriental," he said.

Dr. Baines, who is himself Native American, is a national activist on behalf of Indian health care and cultural awareness. He speaks forcefully of the need for more Native American health care providers, and for increased funding of the federal Indian Health Service (IHS), which is the major source of care for the nation's 1.1 million American Indians and native Alaskans.

For four years, Dr. Baines has been a partner in the St. Joe Valley Clinic in St. Maries, an isolated North Idaho logging town of 2,800. The clinic's five doctors—Baines is the only Indian—until recently contracted with the IHS to staff the small medical office at the nearby Coeur d'Alene Indian Reservation. Since May, the reservation has had its own clinic, for which the St. Joe physicians provide back-up support.

The Coeur d'Alenes, like Indians throughout the country, struggle with high rates of diabetes and alcoholism. The tribe also has an unusually high incidence of arthritis, Dr. Baines said.

"Prior to David Baines moving to St. Maries and dealing with Coeur d'Alene Indian patients, I didn't know Indian physicians existed," said Donna Curtis, a tribal member and editor of the tribal newspaper.

Her sister, Marjorie Matheson, is director of planning for the 1,100-member tribe. When Dr. Baines arrived in the area, Matheson said, there was a "waiting period" during which Indians sized him up. It's not unusual for Indians to be leery of a Native American doctor, said Dr. Baines, because they are so used to getting medical treatment from whites.

The braided, bespectacled, bow-hunting physician apparently passed muster. "I never heard anyone question his competence or his commitment to Indian people," said Matheson. Not all of his white patients feel the same way, Dr. Baines said. "Some of my non-Indian patients still say, 'You're all right for an Indian.' They're pretty upfront."

Native American patients are a diverse group, Dr. Baines said. "There's really a wide range, from those with low eye contact and very little communication all the way to the other end, like me with my 23 years of education."

The more traditional Indians are, the less they believe in verbal communication, he said. They expect the physician to be like the traditional healer, whose hallmark is his ability to determine and treat illnesses through spiritual means. Some Native America patients simply won't say what's wrong, Dr. Baines said, so "you just have to guess."

Many Indians also are not as oriented to the clock and calendar as mainstream culture demands. "[Indian patients] may show up on the wrong day at the right time if I send them to a specialist in Spokane," Dr. Baines said. The first couple of times that happens, he added, he will intervene to get the specialist and patient together. "I tell them, 'These white folks, they have a real time fixation and you'll just have to deal with it.'" After the third missed appointment, Dr. Baines assumes the patient has decided against the treatment.

Indian culture also places much more emphasis on the here and now. In fact, "Some Indian languages do not have a future tense," Dr. Baines wrote in a 1988 article in the Medical Bulletin, a quarterly publication of the Spokane County Medical Society. "This may be why it is often difficult to get an Indian diabetic or hypertensive patient to manage their disease. They feel fine now and are less oriented to the future than the majority of Americans would be."

While the St. Joe Valley Clinic's doctors visited the reservation on a rotating schedule, Dr. Baines saw patients there several times a month. But his influence on, and interest in, the tribe's well-being goes beyond that commitment, tribal members say.

"He's not only a concerned doctor, but an ethnically sympathetic doctor," said Henry SiJohn, a tribal leader and a patient of Dr. Baines.

The physician's own professional achievement illustrates what education can do for members of a chronically undereducated and underemployed population. "He is absolutely an important role model," SiJohn said. "We need more people like him. There are too few Indian doctors."

There are 45 Indians among the 870 physicians employed by the IHS. In all, there are about 500 Native American doctors in the United States, according to the Assn. of American Indian Physicians. Dr. Baines is president-elect of the 200-member association, a private, non-profit group that works to boost the number of Indian doctors and raise the health status of Native Americans

while increasing public awareness about their special health problems.

Dr. Baines is also the only practicing physician on a National Institutes of Health committee for cardiopulmonary risk factors in minority populations, and he sits on the minority health affairs committee of the Academy of American Family Physicians. His work with the latter committee includes evaluating health care systems in Indian communities.

"I don't see many [Native American] physicians like David who are leaders," said Chuck North, MD, IHS senior clinician for family practice. "There are very few people like him who have taken on so many national responsibilities."

Dr. Baines serves as a "cultural broker" for the minority committee, Dr. North said, making contacts with traditional healers in areas spanning South Dakota to the Arctic Circle.

"He's always considered it important when we make site visits to make contact with the local indigenous healers. He gets better information that way," said Dr. North. He recalled one occasion, in Montana, when Dr. Baines left the other members to continue their tour of clinics while he hitchhiked to an Indian community. He ended up arranging an unusual meeting between committee members and Indian hospital staffers.

"We went to a sweat lodge with these fellows," North said. "We stripped down * * * it was really hot. They poured water on hot rocks, and jumped in a little stream afterwards. It made us feel a lot closer to them."

Some Indian healers are associated with the Native American Church, a movement that incorporates tribal beliefs with Christianity. Others adhere strictly to their local traditions. Although most Coeur d'Alene tribal members are Roman Catholic, many travel to Kusick or Yakima, Wash. or to Montana's Flathead reservation to consult with traditional healers.

The IHS has incorporated traditional healing into hospitals it has built in recent years, said Dr. North. "It's usually recognized in hospital policies and procedures that herbal medicines can be administered if approved by the doctor," he explained.

Dr. Baines works to promote mutual respect between medical doctors and traditional healers, who, he said, "have to realize there're certain things we can do that they can't. We can take out an appendix."

The two types of healers share a common purpose, he noted: "We both want the patient to get better."

Dr. Baines' medical career began by accident. He told the story recently to a group of fourth graders in Plummer, Idaho, some of whom were members of the Coeur d'Alene tribe. Their speaker looked younger than his 35 years, wearing a pullover sweater with a white comb protruding from the back pocket of his jeans.

A member of Alaska's Tlingit and Tsimpshian tribes, Dr. Baines returned to his reservation after high school, expecting to be a woodworker or fisherman, like most of his contemporaries, he said. He landed a job in a sawmill, where he suffered a serious leg injury.

"I could hear it coming," he said, recalling the explosion that catapulted him into the air and, he added ruefully, ruined a brand-new pair of Levi's.

During his painful recovery, he decided that there must be a better line of work for him.

After enrolling in a junior college, he took a career test and was told that six of the 10 areas for which he had an aptitude were health-related. Once he decided on medicine, he said, "I never had any doubt in my mind I was going to do family practice, rural medicine on or near a reservation."

Dr. Baines' father is a Methodist minister whose assignments took him to Arizona, where David attended Arizona State University, and Minnesota, where he graduated from Mayo Medical School in 1982.

Speeches and committee work take Dr. Baines to cities nationwide. He has welcomed the chance to speak at medical schools such as those at Stanford University and the University of Minnesota, where he has offered encouragement to Native American students while acknowledging the problems they face.

"In the last 10 years, the dropout rate for Indian medical students is around 13%, while it is less than 3% for Caucasian medical students," he said. "Eight percent to 13% of Indian students repeat, a year, while it is less than 3% for all medical students. Much of this difference is the results of cultural and financial barriers."

When he entered medical school, Dr. Baines cut off his braids in an effort to fit into the "white man's" world. But he worried about losing his "Indianness." He regained his self-confidence, he said, with the help of Native American healers.

"These medicine men proved I could retain my traditional Indian values and make them compatible with western medicine. They taught me to treat the whole patient, not just the body, but the mind and spirit as well.* * * I found as I got more comfortable in my role, non-Indians became more comfortable with me."

The message of "mind and spirit" came through clearly at an unusual workshop arranged by Dr. Baines for physicians in Spokane, Wash., 70 miles northwest of St. Maries. Spokane, the Inland Northwest's largest city, contains the region's major medical centrers. Titled "Medicine and the American Indian," the conference introduced the urban physicians to native healing practices ranging from sweat-lodge ceremonies to herbal preparations.

Although his mother is not Indian, Dr. Baines said he was influenced by the matriarchal nature of his tribe, in which women traditionally ruled in social and cultural matters and men were dominant in matters of war. His political nature surfaced, he said, after he began to look upon getting health care for his people as a battle.

He "hustled for every dime," he said, in order to leave medical school without a debt so massive that it might keep him from taking a less lucrative rural practice.

He spend his internship at the King/Drew Medical Center in the predominantly black, indigent Watts area of Los Angeles. Medical school had not prepared him to treat this population, he said, and he attributes his ability to adapt to his own experience as a minority.

After a family practice residency at the Cheyenne Family Practice Program in Cheyenne, Wyo.—which included work at the Wind River Indian Reservation—he moved to St. Maries. He and his wife, nutritionist Catherine Panfilio, filled positions at the St. Joe Valley Clinic and Benewah Community Hospital left open by the departure of another doctor and his wife.

Dr. Baines knew he had been accepted by the Coeur d'Alenes when he began getting invitations to traditional ceremonies. "A lot of traditional medicine has gone underground, partly from pressure from religious groups," he said. "When I first got here, no one would answer my questions about ceremonies."

The ceremonies are both spiritual and social events, he said. "Sometimes we get together just to rejuvenate our spirits, something not much different than what you do on Sunday." Other ceremonies are held to celebrate a birth, name a baby, provide support in troubled times, or "just for fun."

An awareness of Indian ways is reaching the highest levels of the medical establishment. In 1988, Dr. Baines, in traditional costume, performed a pipe ceremony to inaugurate James Jones, MD, as the first Indian to head the Academy of American Family Physicians. Seven years earlier, the IHS had gotten its first Indian director in Everett Rhoades, MD, a Kiowa from Oklahoma.

Both Indians and non-Indians are welcome at the new Coeur d'Alene clinic in Plummer, a town in the midst of the reservation. Dr. Baines was on the committee that planned the clinic, which is providing the tribe with its first five-day-a-week medical services. The office has one full-time physician and is funded with a variety of public and private grants.

Although his group practice no longer serves as the reservation primary physician, Dr. Baines will remain in touch with the region's Indian communities. He recently joined the board of a project that helps native American youths in the inland Northwest.

Although he doesn't foresee an immediate professional change, he said he may some day seek a job in the "pure, raw politics" of medicine, such as an administrative position with a government health agency. Or he might seek an academic post.

But "that's a long way off. You're talking gray-hair time," he said. "Whatever it is, my long-term work will involve supporting IHS in its goals. No matter what I do, at whatever level, I'll always be there plugging for them."●

TRADITIONAL BILINGUAL EDUCATION DOES IT WORKS?

● Mr. McCLURE. Mr. President, I recently ran across an article printed in the Outpost section of the Washington Post about the subject of bilingual education. It is written by Rosalie Pedalino Porter, who is head of bilingual programs for the Newton, MA, public school system. Ms. Porter is also the author of a book entitled "Forked Tongue: The Politics of Bilingual Education." Ms. Porter makes some interesting observations that I think my Senate colleagues will find instructive.

Ms. Porter points out that bilingual education, in which a student is instructed in his native language, has been used for 22 years now and that some 153 different languages are now represented in classrooms across the Nation. Ms. Porter contends that bilingual education is failing miserably. She says it is "no wonder" that bilingual education has become the single most controversial area in public education. "They segregate limited-English children, provide them with inferior schooling and often doom them to unskilled jobs as adults."

Mr. President, I do not doubt that educators and lawmakers acted with the best of intentions when bilingual programs were instituted nearly a quarter of a century ago. America is unique in that we strive for an equal education for all our citizens. We demand access to education. In the rush to provide that access, however, I wonder if we have not done a disservice to limited-English children.

The term "bilingual," Mr. President, seems to me to denote that a person will be equally well educated in two languages. Bilingual education, as we know it, has not resulted in children who can do equally well in two languages. What we have ended up with is children who are reasonably well educated in their native languages but who fell far short in their command of English.

I wish all of America was bilingual, Mr. President, I wish I could speak, read and write in more than one language. But if we must choose the language in which our youngsters will primarily be educated in—it must be English. This is an English-speaking nation, plain and simple. To fool ourselves into thinking people can succeed in America without being proficient in the English language is more than just naive, it is downright dangerous.

As Ms. Porter says in her article: "In the next 20 years, at least half the new workers entering the labor force will be minorities. U.S. companies depend upon well-educated workers; but many fear that the new work force will lack even basic skills.

Young people are doubly at risk if they have neither the ability to communicate adequately in English nor the literacy and numeracy skills they need for good jobs. The ability of minority populations to use the language of the majority society is linked directly to their individual opportunity and thus, most basically, to social justice."

I appreciate the desire and need of minorities to preserve their culture. And, obviously, language is a large part of any culture. Language frames our field of reference, it shapes our thinking and it changes the direction of history. It also allows the user of the language the right to participate in society. Without language and the tools to become actively involved in the world around us, I fear there is little hope for economic parity and social justice for minority children.

I hope my colleagues in the Senate will take the time to read Ms. Porter's article. I think they will find that she makes a lot of sense and I ask that her article be printed in the RECORD at this point.

The article follows:

[From the Washington Post]

LANGUAGE TRAP: NO ENGLISH, NO FUTURE

(By Rosalie Pedalino Porter)

In the name of "cultural sensitivity," we are systematically undereducating our language-minority children, severely reducing their opportunities for economic and social advancement. The politics of ethnicity—and in particular, pressure to continue the widely applied experiment called bilingual education, in which children are taught not in English but in their native language—has distorted public-education policy and limited the search for alternatives.

In the 22 years since bilingual education began, the number of different languages represented in schoolrooms nationwide has grown to 153, and the programs have become the single most controversial area in public education. No wonder; They segregate limited-English children, provide them inferior schooling and often doom them to unskilled jobs as adults.

Yet bilingual programs continue to increase, despite striking evidence of their failure:

In November 1988, Con Edison, the public utility company of New York City, gave an English-language aptitude test to 7,000 applicants for entry-level jobs. Only 4,000 passed—and not one of those was a graduate of the city's bilingual education programs. Yet a coalition of ethnic activists recently succeeded in convincing the state Board of Regents to pass new regulations that will keep more limited-English children enrolled for more years in native-language classrooms.

In Los Angeles, which has the largest enrollment of limited-English students in the country (142,000), a survey of teachers in 1988 revealed that they are opposed to bilingual education by a margin of 78 to 22 percent. These results have been ignored and a bilingual master plan imposed on the Los Angeles schools that requires even more teaching in the native language.

In New Jersey last year the state Board of Education announced that limited-English students may take the test of basic skills required for high school graduation in any of 12 languages. What the board didn't explain is how a student who has passed math and science tests only in Arabic, for example, can possibly use that knowledge to get a job in our English-speaking society or to qualify for college entrance.

The U.S. Department of Education—despite its own studies showing that bilingual education fails the very children it is meant to help—continues to direct the major portion of federal funding for language-minority children into these same bilingual programs.

Millions of children are affected, and their numbers are growing much faster than the rest of the school population. Estimates range from 1.5 to 7.5 million—from 5 to 20 percent of the total enrollment. The most recent survey by the DOE in May 1989 reports that from 1985 to 1988, enrollment of limited-English students in kindergarten through 12th grade increased by 7.1 percent while total school enrollment nationwide declined by 1.3 percent. Out of a total school population of 39.2 million in kindergarten through 12th grade, the number of limited-English students is reported to be 1,533,520 or 5 percent. But the survey acknowledges that the actual number may be three to six times that many. Five states reported that as many as 22.5 percent of all their schoolchildren are not able to use the English language well enough to benefit from regular classroom teaching in English.

The Bilingual Education Act of 1968 was designed to remove language barriers to learning. Access to an equal education was the primary goal and early mastery of English was seen as the key to such access. The act mandated three years of study under a new initiative called bilingual education, which was expected to help students learn English faster, develop self-esteem and master subjects for grade-promotion and high school graduation. [See box.] These presumed benefits were entirely hypothetical; there was no evidence that such results would actually occur.

Bilingual advocacy groups soon began to exert pressure at the state level for public schools to provide support for maintaining students' native cultures as well. In some instances, the original program title was changed to "bilingual/bicultural education." Often schools were urged to hire only teachers of the same ethnic background as the students. Instructors from the Dominican Republic, it was argued, could not "relate" to Puerto Rican students. There were repeated efforts to amend state laws to keep students in bilingual classed beyond the three years originally mandated.

In many cases, political pressure changed what was to have been a temporary, "transitional" program into a permanent vehicle for developing students' native language and culture at the expense of English-language learning and integration into mainstream classrooms. "The most significant thing about bilingual education is not that it promotes bilingualism," says Stanford University bilingual advocate Kenji Hakuta, "but rather that it gives some measure of official public status to the political struggle of language minorities, primarily Hispanics."

FACING UP TO FAILURE

The two basic premises of bilingual education are that it will make minority children equally literate in two languages while at the same time preserving their cultural identity. Neither in fact is the case.

For two decades, federal- and state-funded bilingual education programs throughout the country have failed to prepare language-minority children for high school graduation, much less for jobs or higher education. Moreover, they have conspicuously failed to reduce the extraordinarily high dropout rate for Latino students—between 40 and 50 percent nationwide, compared to 25 percent for African-Americans and 14 percent for non-Hispanic whites, according to the National Association for Bilingual Education.

As a classroom teacher of fifth- and sixth-grade Hispanic students in Springfield, Mass., I found that most of these children had not just arrived from another country but had lived on the U.S. mainland most of their lives. Yet after five or six years in bilingual classrooms, they were able neither to do math or reading at the proper grade level in Spanish nor to master the English-language skills they needed. My experience was representative of the conditions in other school districts. A study of the Boston Public Schools' bilingual program completed in 1986, for example, revealed that over 500 Hispanic students who had been in bilingual classrooms since kindergarten were not able, on entering seventh grade, to take classes in English.

When students are taught in Spanish a substantial part of each day, Spanish is the

language they will know well, not English. This is not surprising. Educators call it the "time on task" concept—the proven link between the amount of time spent studying anything and the degree of success in learning it.

Two multi-year research projects conducted for the Department of Education in school districts with large Hispanic populations confirm this common-sense principle. In Dade County, Fla., and El Paso, Tex., language-minority students were divided into two groups: One was taught entirely in Spanish; the other received all instruction in an English-language "immersion" program. [See box.] Each study showed the same result. Both student groups attained the same levels in math, science and social studies. But the immersion students were far ahead in English speaking, reading and writing skills. Furthermore, in both cases researchers found no evidence of greater self-esteem on the part of the students taught in their native language.

Across the nation, classroom teachers have learned firsthand how unsuccessful bilingual programs are. But they rarely speak out for fear of being labeled "racist." Now, however, even supporters of bilingual programs are realizing that linguistically separate education of minority students for most of the school day is difficult to reconcile with our commitment to integrate schools along racial lines.

Indeed, such programs can provoke ethnic discord. As early as 1977, Alfredo Mathew Jr., a pioneer in bilingual education, warned that "while bilingualism, from a political point of view, is meant to foster the Puerto Rican/Hispanic identity and consequently encourages concentrations of Hispanics to stay together and not be integrated, one also has to be wary that it not become so insular and ingrown that it fosters a type of apartheid that will generate animosities with others, such as blacks, in the competition for scarce resources, and further alienate the Hispanic from the larger society."

Continued exclusive reliance on bilingual programs is also incompatible with another national goal—increased economic competitiveness. In the next 20 years, at least half the new workers entering the labor force will be minorities. U.S. companies depend upon well-educated workers; but many fear that the new workforce will lack even basic skills. Young people are doubly at risk if they have neither the ability to communicate adequately in English nor the literacy and numeracy skills they need for good jobs. The ability of minority populations to use the language of the majority society is linked directly to their individual opportunity and thus, most basically, to social justice.

EDUCATION AND EQUITY

Certainly other factors besides language contribute to the failure of language-minority students, including poverty, family instability and overt discrimination. These students need more supervision and opportunity in their lives and more special help in their schooling if they are to overcome their disadvantages. They need early and intensive help not only in learning the language of the schools and society but in mastering the subject matter of math, science, history and information technology. Certainly no one argues that these students should be subjected to the old "sink or swim" policies of neglect that earlier ethnic groups experienced.

But neither should we confine them only to traditional bilingual education, given America's astonishing diversity of cultures. To propose that one program can successfully meet the needs of such disparate communities as Cambodians, Navajos, Vietnamese and Russians is either naive or willfully misleading. Spanish speakers alone comprise many distinct communities from more than three dozen countries in Central and South America, the Caribbean and Europe, with members in all economic and social levels. Their goals may be equally diverse.

A recently published national survey of Asian, Cuban, Mexican-American and Puerto Rican parents of limited-English students reveals their very different attitudes. Asians (whose numbers rose 70 percent during the 1980s) are the most likely to cite learning English as one of the three most important objectives of schooling and give a much lower priority to the teaching of the home language in school than the other three groups. Puerto Ricans and Mexican-Americans are more likely than Asian or Cuban parents to want their children in native-language programs and to expect schools to teach the history and customs of their ancestors. Asian and Cuban parents tend to believe that this is the family's responsibility.

KEEPING THE COMMITMENT

Clearly, we need to give parents and educators a range of alternatives—as well as the right to choose the most effective approaches for their communities and the power to assign public funding to support their choices.

One highly effective alternative has been promoted by Canada and Israel: second-language learning by the technique of "immersing" students in the new language as early as age 5. [See box.] This method requires trained teachers and a special curriculum. Comparable "early immersion" programs in the United States are operating successfully in El Paso and Uvalde, Tex.; Arlington and Fairfax, Va.; Berkeley and San Diego Calif.; Elizabeth, NJ. and Newton, Mass. They use new language teaching techniques that include early immersion in the English language. The aim of these programs is not primarily the strengthening of the student's native language but is instead pragmatic and double-barreled: Early and intensive English-language instruction together with strong emphasis on computation, analytical mathematics, biological and earth science, history and the study of different cultures.

One of our most urgent social obligations of the '90s is to ensure that our language-minority children have educational opportunities equal to those of their English-speaking classmates. In addition to our fostering respect for each child's ethnic culture and language, limited-English children must be given the means and the motivation to complete a high school education and to prepare for productive work or for higher education and professions. Such motivation comes only from real achievement. That means putting aside the segregative and inadequate program of bilingual education and replacing it with a rich, content-filled education in English, the empowering language of our society.

CLASS ACTIONS

In a transitional bilingual education program, a typical day for a Spanish-speaking child newly arrived in a Boston classroom includes the teaching in Spanish of reading, writing, math, science, U.S. history and something of the culture of the child's native land.

A 30-to-45-minute English-language lesson is provided, and occasionally a lesson in art, music or physical education in a combined class with English-speaking children. Over the course of three years, the use of English in teaching is gradually increased, in the expectation that eventually the student will be able to work in a regular English-language classroom. Such programs necessarily require teachers with native fluency, native-language textbooks (in each subject for each language group) and the separation of students for three years or longer.

The same child entering an "English Immersion" program in Fairfax, Va., however, has a very different experience. From the first day, at least three hours are spent with a special teacher of English as a Second Language (ESL) for intensive lessons in speaking, reading and writing English—lessons focused on the vocabulary and concepts of math, science and other subjects, along with some of the history and culture of the student's native land. The student spends the rest of the day in a regular classroom with English-speaking students. The expectation is that within a few weeks the student will learn enough English to participate in mainstream math classes, and in two years, on average, will be able to do all schoolwork in English.

Immersion programs do not require a separate teacher for each language group. Children from different language backgrounds are taught together. This multicultural feature, combined with extensive classroom hours spent with English-speaking students, provides the highest level of integration and affords the best opportunity for acquiring and using English.●

THE PRESIDENT'S ENTERPRISES FOR THE AMERICAS INITIATIVE

● Mr. BOSCHWITZ. Mr. President, the past decade saw two developments of historic importance in Latin America. The first was the sensational spread of democracy and the virtual end of repressive and authoritarian government in that region. The second development was the renewed appeal of the free enterprise system, which won countless adherents among our southern neighbors.

The nations to our south learned—in many cases through bitter experience—that the best route to ensuring national security and economic development does not lie in denying the people their legitimate political and economic rights. Rather, empowering the people with both the right to vote and the right to make their own economic choices allows initiative to flourish in an unparalleled manner and creates far greater opportunities for providing security than are otherwise possible.

Most Latin American and Caribbean nations face daunting economic obstacles as they struggle to bring about balanced growth that will also give their people the chance to live fully dignified and productive lives. The debt problems facing most of these nations are intimidating and seriously impede the development and implementation of policies that can end the bitter cycle of poverty; the foreign ex-

change they need to finance development is scarce.

As the most powerful Nation in the Western Hemisphere, we have a special obligation to work with our neighbors in the ongoing effort to ensure economic growth and prosperity for all. I do not say this out of any sense that only the United States knows what needs to be done. I fully realize that Americans by no means have all the answers to the economic problems afflicting our Latin and Caribbean friends. I say it, rather, in the realization that only by listening to each other and working closely with those nations which freely choose to work with us can we jointly make permanent progress against poverty and underdevelopment.

Last month, President Bush announced a new enterprise for the Americas initiative. This initiative promises to create conditions both for sustained economic growth within the nations of the Western Hemisphere and expanded, mutually beneficial relationships between them. It provides the blueprint for a solid plan to help them achieve broad-based economic growth, development, and security.

The initiative addresses four major areas which must be part of any realistic government-to-government economic program in today's world: Trade relations, investment barriers, debt, and the environment.

As the first part of his initiative, the President has indicated his intent to gradually develop a hemispherewide free trade zone. I fully support this goal and share the President's hope and expectation that the first step in this direction will be the successful completion of the Uruguay round of world trade talks.

A free trade zone of the scope proposed can not, of course, be developed overnight. Indeed, it will take years for such a goal to be realized. And it can never be achieved entirely through actions by the United States. There must also be active cooperation from the governments and business leaders of the Latin American and Carribean nations. Under policies which foster free enterprise, and with the help of both domestic and foreign investors, much progress can be made. But there must be multilateral support if there is to be success.

Today the United States is negotiating a free trade agreement with Mexico. We have removed some barriers to trade with other Latin American neighbors. I believe that mutual elimination of the many remaining barriers to free trade in the Western Hemisphere would facilitate business ventures and development activities which would improve the economies and standards of living in these nations.

The second part of the President's initiative is investment reform. The President has proposed a joint effort with the Inter-American Development Bank to create an investment sector loan program for those Latin American and Carribean nations which reduce barriers to investment. The program, whose size has not yet been determined, will provide both financial support and technical advice for endeavors to privatize industries. The President also hopes to cooperate with the European Community and Japan to establish a $300 million annual investment fund for the Americas. Grants from this fund would finance privatization of industries, training, education, and health programs to benefit employees.

Privatization is, in my opinion, one of the most important steps that our neighbors can take to bring about economic development. The private sector should be the engine driving their economies. State-owned firms have no incentives to increase either efficiency or productivity. Privatization increases tax revenues, ends wasteful subsidies, and encourages entrepreneurs to risk their capital. I strongly encourage and support the spread of privatization throughout the Western Hemisphere.

As the third part of his initiative, the President focuses on debt. The burden of debt remains an immense barrier to economic growth in Latin America and the Caribbean. Like a sword of Damocles, debt hangs over the hopes of the underdeveloped nations of the Western Hemisphere. Easing debt is essential to the initiative as a whole, as the President clearly recognizes. The Brady plan has already made some progress in reducing Latin American debt. Agreements reached with Mexico, Costa Rica, and Venezuela have stimulated investment in those countries.

The President's plan would take this a step further. He has urged cooperation among the Inter-American Development Bank, the International Monetary Fund, and the World Bank to provide funds to ease the commercial bank debt of those nations which adopt economic reforms. He has also indicated a desire to match economic reform with a reduction in these countries' official debt to the U.S. Government. I believe that the United States should help to rearrange and refinance creatively the bank debt of Third World nations upon their making market reforms. Such market reforms are really a necessity for the countries involved if they want to attract large-scale foreign investment.

I am especially gratified that the President has included the environment as part of his initiative. Environmental protection, so often neglected in the past, is an important value to foster along with economic growth. There is growing world consciousness of the effects that economic development can have on environmental stability, and I commend the President for recognizing this in his enterprise for the Americas initiative.

Mr. President, I believe that the President's initiative can foster economic development and a better standard of living for Latin American and Caribbean nations. Free markets in those countries will provide unprecedented opportunities for economic growth. Such a development is not only in their best interests but also those of the world as a whole. I encourage the nations of the Americas to accept the challenges of the free market and to work with the United States in the realization of this initiative.

I support the President's plan, look forward to working with the administration on the enactment of any required legislation, and hope that this endeavor may soon yield significant results.●

THE 25TH ANNIVERSARY OF MEDICARE AND MEDICAID

● Mr. RIEGLE. Mr. President, today marks the 25th anniversary of the Medicare and Medicaid Programs. This country can be proud of the accomplishments of these two programs. Medicare provides basic health services to over 33 million older and disabled Americans. Medicaid, the jointly funded Federal and State program for low-income people, serves over 25 million Americans. Close to half of these people, 11 million, are children under the age of 21.

Over 1 million Michigan seniors benefit from the services provided for under Medicare. In addition, Medicaid serves almost 1 million Michigan citizens. As a member of the Finance Committee which has jurisdiction over these programs and as chairman of the Subcommittee on Health for Families and the Uninsured, I will continue to work toward improving and protecting these vital programs.

Over the past decade, Medicare has suffered the largest budget cuts of any single domestic Federal program. I am concerned that excessive cuts in Medicare could undermine the system and limit health care to people. As a member of the Budget Committee, I will continue working to protect the Medicare Program.

Mr. President, while we celebrate the 25th anniversary of these important health care programs, we must remember that more must and can be done to improve the health status of all Americans. Medicare was never intended to cover all the health care needs of our seniors and thus many seniors have little protection against the costs of a catastrophic illness or long-term care.

The United States lacks a comprehensive national policy to address the

long-term care needs of our elderly and disabled citizens. Yet the need for care is ever present. By the year 2000, more than 8 million Americans aged 65 and older are estimated to need some form of long-term care due to disability or chronic illness. The cost of long-term care is high. The average cost of staying in an nursing home is $25,000 per year.

Public funding for long-term care is now primarily limited to nursing home care and only after a senior or disabled person exhausts some of his or her resources. Private sector options are also limited; only 1 to 2 percent of seniors have long-term care policies. Typically, these policies other benefits for a limited range of services provided in a nursing home, and to a lesser extent, at home. Many policies have also been restrictive in providing benefits and have been expensive.

This country needs a Federal policy on long-term care that provides a range of services to individuals including institutional and community-based services. With the recently released Pepper Commission recommendations, Congress is in the first stages of this long overdue effort in developing solutions that will afford individuals real security.

Mr. President, as we reflect upon the accomplishments that have been made in the past in Medicare and the recent appeal of the Medicare Catastrophic Health Care Program, a clear area of needed improvements is Medigap supplemental insurance. When the Catastrophic Health Care Program was repealed last year, I was very concerned that private Medigap insurance rates would rise, making supplemental private health care protection unaffordable to some seniors. Last fall, premium rates for some policies increased by up to 45 percent in Michigan.

I have introduced legislation, S. 2641, to provide uniformity in the types of benefits offered and in the language and format provided by Medigap insurers. This legislation would reduce confusion about different policies and make sure that individuals can determine which policy best meets their needs and resources. I am also a cosponsor of the Medigap Fraud and Abuse Prevention Act and have been working with other Members of Congress to prevent unnecessary insurance rate increases and prevent abuses in the sale of Medigap policies.

Mr. President, I also want to take the opportunity of this important anniversary to renew our commitment to universal access to health care for Americans. Affordable, high quality health care is not available for all Americans. It's a national tragedy that 37 million Americans have no insurance coverage at all. More than ever before, this country needs a national strategy for dealing with the major shortcomings of our health care system.

Our health care system—the most advanced and sophisticated in the world—has failed us in two important ways. Tens of millions of Americans are without health insurance or the financial resources to purchase health care services when they or families need care. In addition, our health care system is the most expensive and inefficient in the world. U.S. spending on health is approaching 12 percent of the GNP, far exceeding any other nation. A more efficient, better designed health care delivery system could provide care to all Americans without utilizing additional national resources.

We need to act now on both universal access to health care and rising health care costs. We have done enough studying of the issues, it is now time to move forward on a health care program for all Americans.

I have held six hearings in the Finance Subcommittee on Health for Families and the Uninsured on the problems related to lack of insurance. This is a part of an ongoing effort by this subcommittee to solve the problems of the 37 million Americans with no health insurance.

A bicommittee, bipartisan Senate working group on universal access has been working since last July to develop a solution that will provide universal access to health care and control rising costs. The Senate working group has compiled a document of the options that the group has been considering. In developing our proposal, we intend to draw on the data and recommendations of individuals and organizations having an interest in health care issues. With the key experts on health policy in the Senate together with the help of individuals and organizations with an interest in health issues, I believe that we can and must accomplish the goal of universal access to affordable and high quality care in this country.

Mr. President, as this Nation commemorates the 25th anniversary of Medicare and Medicaid, I will continue to work in Congress to address the health care needs of all Americans.●

POLISH DEBT REDUCTION

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order 585, Senate Resolution 293, a resolution concerning Polish debt reduction.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 293) concerning Polish debt reduction.

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

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with an amendment.

S. RES. 293

Whereas the Government of Poland is to be commended for its commitment to democratic rule and free, mulitparty elections;

Whereas Prime Minister Tadeusz Mazowiecki and Finance Minister Leszek Balcerowicz have introduced a far-reaching economic reform program intended to bring about a private market and free enterprise system;

Whereas, despite these courageous efforts and the end of hyperinflation, the Polish economy has entered a deepening recession;

Whereas the Government and people of the United States have acknowledged the historic opportunity for freedom and economic growth presented by the dramatic changes in Poland and Eastern Europe during 1989, by providing public assistance through Public Law 101-179 (the "SEED" Act) and private assistance through private voluntary organizations;

Whereas Public Law 101-179 urged the United States Government to seek debt relief through coordination with other members of the Paris Club of creditor governments;

Whereas, although Poland's external debt owed to governments has recently been rescheduled by the Paris Club, Poland's external debt still stands at approximately $40,000,000,000, while debt-service payments will resume in March 1991;

Whereas this excessive debt burden threatens to undermine the success of the Polish Government's reform program, as foreign investors look to long-term currency stability, positive rates of economic growth, and a greatly improved balance of payments;

Whereas the Government of Poland owes nearly 80 per centum of its hard-currency debt to Western governments;

Whereas the Government of Poland has put forward a plan to significantly reduce its external hard-currency debt held by Western governments;

Whereas precedents exist for reducing or forgiving debt in the sub-Saharan African Initiative of 1989 and the London Accord of 1953;

Whereas the success of Poland's democratic, free market revolution will significantly change the face of Europe by ecouraging other East European governments and the Soviet Union to accelerate their reforms and move to open, peaceful democratic systems of government: and

Whereas assuming a leading role in finding an early solution to Poland's debt burden is in the national interest of the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

the President of the United States, through the Secretary of the Treasury and the Secretary of State, should immediately enter into discussions with the Paris Club governments to seek innovative approaches to significantly reduce Poland's officially held debt in as quick a timetable as possible;

the President of the United States, through the Secretary of the Treasury and the Secretary of State, should unilaterally announce that the United States will significantly reduce the officially held Polish debt

if other nations will join in this important step;

the President should initiate such debt-reduction discussions for Poland at the 1990 Economic Summit of Industrialized Nations in Houston, Texas, during July 8 through July 11, 1990[; and

[the President should further consider inviting the Government of Poland to send a representative to the Houston summit to make a brief presentation to the summit participants on possible debt-reduction proposals].

AMENDMENT NO. 2434

Mr. BOREN. Mr. President, on behalf of Senator SIMON, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. SIMON proposes an amendment numbered 2434.

Mr. BOREN. 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:

Strike out all after the resolving clause, and insert in lieu thereof the following:

"That it is the sense of the Senate that—

the President of the United States, through the Secretary of the Treasury, should immediately enter into discussions with the G-7 governments to seek innovative approaches to significantly reduce Poland's officially held debt in as quick a timetable as possible;

the President of the United States, through the Secretary of the Treasury, with the concurrence of Congress, should take steps to explore options to significantly reduce the officially held Polish debt, if other nations will join in this important step.".

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

The amendment (No. 2434) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 293), as amended, was agreed to.

AMENDMENT NO. 2435

(Purpose: Amendments to the Preamble)

Mr. BOREN. Mr. President, on behalf of Senator Simon, I send three amendments to the preamble to the desk and ask unanimous consent for their consideration en bloc.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. SIMON, proposes an amendment numbered 2435, amendments en bloc to the preamble.

In the sixth Whereas clause, strike out "approximately $40,000,000,000" and insert in lieu thereof "nearly $41,000,000,000";

In the eighth Whereas clause, strike out "80" and insert in lieu thereof "70";

In the tenth Whereas clause, strike out "or forgiving".

The PRESIDING OFFICER. Without objection, the amendment to the preamble is agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The resolution (S. Res. 293), as amended, and the preamble, as amended, are as follows:

S. RES. 293

Whereas the Government of Poland is to be commended for its commitment to democratic rule and free, multiparty elections;

Whereas Prime Minister Tadeusz Mazowiecki and Finance Minister Leszek Balcerowicz have introduced a far-reaching economic reform program intended to bring about a private market and free enterprise system;

Whereas, despite these courageous efforts and the end of hyperinflation, the Polish economy has entered a deeping recession;

Whereas the Government and people of the United States have acknowledged the historic opportunity for freedom and economic growth presented by the dramatic changes in Poland and Eastern Europe during 1989, by providing public assistance through Public Law 101-179 (the "SEED" Act) and private assistance through private voluntary organizations;

Whereas Public Law 101-179 urged the United States Government to seek debt relief through coordination with other members of the Paris Club of creditor governments;

Whereas, although Poland's external debt owed to governments has recently been rescheduled by the Paris Club, Poland's external debt still stands at nearly $41,000,000,000, while debt-service payments will resume in March 1991;

Whereas this excessive debt burden threatens of undermine the success of the Polish Government's reform program, as foreign investors look to long-term currency stability, positive rates of economic growth, and a greatly improved balance of payments;

Whereas the Government of Poland owes nearly 70 per centum of its hard-currency debt to Western governments;

Whereas the Government of Poland has put forward a plan to significantly reduce its external hard-currency debt held by Western governments;

Whereas precedents exist for reducing debt in the sub-Saharan African Initiative of 1989 and the London Accord of 1953;

Whereas the success of Poland's democratic, free market revolution will significantly change the face of Europe by encouraging other East European governments and the Soviet Union to accelerate their reforms and move to open, peaceful democratic systems of government: and

Whereas assuming a leading role in finding an early solution to Poland's debt burden is in the national interest of the United States: Now, therefore, be it

Resolved: That it is the sense of the Senate that—

(a) the President of the United States, through the Secretary of the Treasury, should immediately enter into discussions with the G-7 governments to seek innovative approaches to significantly reduce Poland's officially held debt in as quick a timetable as possible; and

(b) the President of the United States, through the Secretary of the Treasury, with the concurrence of Congress, should take steps to explore options to significantly reduce the officially held Polish debt, if other nations will join in this important step.".

Mr. SIMON. Mr. President, I am pleased that the Senate has adopted my resolution, Senate Resolution 293, as amended. This resolution, which I originally submitted with my good friend Senator ALAN DIXON, urges the President to immediately enter into negotiations with other Western countries to find a way to significantly reduce Polish debt, and also asks the President to reduce Poland's debt to the United States Government if other nations will join in this important step.

Debt reduction is essential to Polish reconstruction. Without it, the road to Polish democracy and a free economy will be much more difficult. It clearly makes sense for the United States, which holds about $3 billion out of nearly $41 billion owed by the Poles—70 percent to governments—to lead the way in the vital area.

It makes sense, Mr. President, because we all know that the real value of Polish debt is much lower than the $3 billion face value. In trading on what are called secondary financial markets in the 6-month period between September 1989 and April 1990, Poland's commercial bank debt fell from 40 cents on the dollar to 15 cents on the dollar. The officially held Polish debt is probably not worth much more than this, particularly because the prospects for Polish repayment are slim.

It also makes sense to reduce their debt for the multiplier effect this would have on the foreign assistance program begun by the Group of 24 advanced Western countries. In order for much of this aid to take root, a functioning private sector needs to take off. And for a private sector to evolve in Poland and the other Central and Eastern European nations, direct foreign investment is crucial.

But this foreign investment will be delayed if the threat of Polish default looms on the horizon. Investors will be scared off by the prospect of losing their investment, or not being able to repatriate their profits, if the debt overhang is not substantially reduced.

There is a precedent for doing this. In addition to the President's debt-reduction program recently announced for Latin America, and the section 572 Program for forgiving debts to the poorest sub-Saharan African nations, there is the precedent of the London

Accords of 1953. In a series of agreements, the victorious wartime allies reduced West Germany's foreign debt by 43 percent. The interest rates for certain debts were either eliminated or significantly reduced. It made good sense at that time to reduce Germany's debts, so that it could recover sufficiently from the war and more quickly rejoin the Western community of nations. And that is what needs to happen in Poland.

The Poles are also recovering from a devastated economy, and they clearly need our assistance in this area. We ought to exert some leadership and work as quickly on substantially reducing Poland's official debts as we did in setting up the new European Bank for Reconstruction and Development. That efforts was begun and finished in a matter of months. We ought to act with the same dispatch on resolving this problem.

CIVIL SERVICE DUE PROCESS AMENDMENTS

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order 547, H.R. 3086, the civil service due process reform bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3086) to amend title 5, United States Code, to grant appeal rights to members of the excepted service affected by adverse personnel actions, and for other purposes.

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Civil Service Due Process Amendments".

SEC. 2. EXCEPTED SERVICE APPEAL RIGHTS.

(a) IN GENERAL.—Section 7511 of title 5, United States Code, is amended to read as follows:

"§7511. Definitions; application

"(a) For the purpose of this subchapter—

"(1) 'employee' means—

"(A) an individual in the competitive service—

"(i) who is not serving a probationary or trial period under an initial appointment; or

"(ii) who has completed 2 years of current continuous service under other than a temporary appointment limited to 1 year or less;

"(B) a preference eligible in the excepted service who has completed 1 year of current continuous service in the same or similar positions—

"(i) in an Executive agency; or

"(ii) in the United States Postal Service or Postal Rate Commission; and

"(C) an individual in the excepted service (other than a preference eligible)—

"(i) who is not serving a probationary or trial period under an initial appointment pending conversion to the competitive service; or

"(ii) who has completed 2 years of current continuous service in the same or simi lar position in an Executive agency under other than a temporary appointment limited to 2 years or less;

"(2) 'suspension' has the same meaning as set forth in section 7501(2) of this title;

"(3) 'grade' means a level of classification under a position classification system;

"(4) 'pay' means the rate of basic pay fixed by law or administrative action for the position held by an employee; and

"(5) 'furlough' means the placing of an employee in a temporary status without duties and pay because of lack of work or funds or other nondisciplinary reasons.

"(b) This subchapter does not apply to an employee—

"(1) whose appointment is made by and with the advice and consent of the Senate;

"(2) whose position has been determined to be of a confidential, policy-determining, policy-making or policy-advocating character by—

"(A) the President for a position that the President has excepted from the competitive service;

"(B) the Office of Personnel Management for a position that the Office has excepted from the competitive service; or

"(C) the President or the head of an agency for a position excepted from the competitive service by statute:

"(3) whose appointment is made by the President;

"(4) who is receiving an annuity from the Civil Service Retirement and Disability Fund, or the Foreign Service Retirement and Disability Fund, based on the service of such employee;

"(5) who is described in section 8337(h)(1), relating to technicians in the National Guard;

"(6) who is a member of the Foreign Service, as described in section 103 of the Foreign Service Act of 1980;

"(7) whose position is with the Central Intelligence Agency, the General Accounting Office, or the Veterans Health Services and Research Administration;

"(8) whose position is within the United States Postal Service, the Postal Rate Commission, the Panama Canal Commission, the Tennessee Valley Authority, the Federal Bureau of Investigation, the National Security Agency, the Defense Intelligence Agency, or an intelligence activity of a military department covered under section 1590 of title 10, unless subsection (a)(1)(B) of this section or section 1005(a) of title 39 is the basis for this subchapter's applicability; or

"(9) who is described in section 5102(c)(11) of this title.

"(c) The Office may provide for the application of this subchapter to any position or group of positions excepted from the competitive service by regulation of the Office which is not otherwise covered by this subchapter.".

(b) ACTIONS BASED ON UNACCEPTABLE PERFORMANCE.—Section 4303(e) of title 5, United States Code is amended by striking "a preference eligible or is in the competitive service" and inserting in lieu thereof "covered by subchapter II of chapter 75".

"(c) APPLICABILITY.—The amendments made by this section shall apply with respect to any personnel action taking effect on or after the effective date of this Act.

SEC. 3. ANNUITANT STATUS NOT A BAR TO APPEALING ONE'S REMOVAL.

Section 7701 of title 5, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsecton (i) the following:

"(j) In determining the appealability under this section of any case involving a removal from the service (other than the removal of a reemployed annuitant), neither an individual's status under any retirement system established by or under Federal statute nor any election made by such individual under any such system may be taken into account".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of the enactment of this Act, and, except as provided in section 2(c), shall apply with respect to any appeal or other proceeding brought on or after such date.

AMENDMENT NO. 2436

(Purpose: To specify employees who may appeal certain personnel actions to the Merit Systems Protection Board.)

Mr. BOREN. Mr. President, on behalf of Senator PRYOR, I send to the desk an amendment to the committee substitute.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. PRYOR, proposes an amendment numbered 2436.

Mr. BOREN. 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 10, strike out lines 12 through 16 and insert in lieu thereof the following:

(b) ACTIONS BASED ON UNACCEPTABLE PERFORMANCE.—Section 4303(e) of title 5, United States Code, is amended to read as follows:

"(e) Any employee who is—

"(1) a preference eligible:

"(2) in the competitive service; or

"(3) in the excepted service and covered by subchapter II of chapter 75,

and who has been reduced in grade or removed under this section is entitled to appeal the action to the Merit Systems Protection Board under section 7701.".

Mr. PRYOR. Mr. President, The bill, as amended, amends section 7511 of title 5, United States Code, to extend procedural protections to certain employees in the excepted service who have completed 2 years of current continuous service in an Executive agency. The bill covers such occupations as attorneys physicians, teachers, chaplains, and scientist.

The procedural protections are as follows: in cases involving removal, suspension for more than 14 days, reduction in grade or pay, or furlough for 30 days or less, the employee must be given 30 days advance written notice of the proposed action, an op-

portunity to respond in writing, a written decision containing specific reasons for the adverse action or the specific instances of unacceptable performance and an appeal to the Merit Systems Protection Board [MSPB].

The Office of Personnel Management originally opposed H.R. 3086. However, after reviewing their position, OPM Proposed certain changes to the bill which would eliminate its objections. OPM recommended that there should be a 2-year waiting period before excepted service personnel would receive the procedural protections; that excepted service personnel in probationary or trial positions should not be eligible for the protections, and that the Panama Canal Commission, the Defense Intelligence Agency and other intelligence officers and employees of the military departments should be excluded from coverage from H.R. 3086.

The subcommittee has agreed to accept these suggestions. The 2-year waiting period excepted service personnel will ensure that the agency can fully judge an employee's performance and yet vest these employees with important job protections. The exclusion for probationary or trial positions is intended to address specific job situations. Presidential management interns and veterans readjustment appointees currrently serve for a 2-year probationary period. Under H.R. 3086, for the 2 years those employees spend as excepted service, they will not be eligible for procedural protections. However, immediately upon their conversion to the competitive service, the employee will be eligible for appeal rights without having to wait another year. The probationary exclusion will cover situations such as students in certain cooperative education programs. These students can serve in the excepted service for 4 years during their schooling. Again, if converted to the competitive service, appeals rights will be immediately available.

Excluding employees in the Panama Canal Commission and the Defense Intelligence Agency simply follow the pattern set out in the House-passed bill.

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

The amendment (No. 2436) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it Pass?

So the bill (H.R. 3086) was passed.

Mr. BOREN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN TRIBALLY CONTROLLED COMMUNITY COLLEGE PROGRAMS

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 5040 the Tribally Controlled Community College Reauthorization bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5040) to extend the authorizations of appropriations for the Tribally Controlled Community College Assistance Act of 1978 and the Navajo Community College Act.

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

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2437

(Purpose: To provide for a substitute)

Mr. BOREN. Mr. President, I offer a substitute amendment on behalf of Senator INOUYE and Senator PRESSLER.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. INOUYE (for himself and Mr. PRESSLER), proposes an amendment numbered 2437.

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

The PRESIDING OFFICER. Without objection it is so ordered.

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

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

The amendment (2437) was agreed to.

Mr. INOUYE. Mr. President, I rise in support of H.R. 5040 as amended by the Senate substitute. In addition to reauthorizing tribally controlled community colleges, the Senate substitute includes provisions to expand native American gifted and talented demonstration programs to American Samoa, Guam and Alaska Natives, and additionally includes the text of S. 1781, the Native American Languages Act, which has already been approved by the Senate.

Approximately 16,000 native and non-native Americans are enrolled in the 22 tribally controlled community colleges. Most of these young adults and adults live on or near reservations and do not have access to other educational opportunities. The tribal colleges provide a resource to these communities that is intended to fulfill the academic and vocational needs of the students in a way that is additionally sensitive to the tribal traditions and their cultures. In view of the important need the tribal colleges fill, I would additionally encourage my colleagues to support an appropriations level that is closer to the authorization amounts in the bill and that better reflect the funding needs of the colleges.

Mr. President, this legislation would also establish gifted and talented demonstration centers in Alaska, American Samoa, and Guam. In the 1988 Elementary and Secondary School Improvement Amendments, two gifted and talented centers were established for American Indians and one center was established for native Hawaiians. The proposal under consideration today would bring children in the Pacific and in Alaska opportunities for gifted and talented programs that other children nationwide now have.

The purpose of establishing these centers is to provide culturally appropriate educational opportunities to gifted and talented Alaska Native, American Samoan, and Guamanian children who, by virtue of their isolation and lack of resources, have little access to any educational opportunities beyond those offered through the public schools. In the case of American Samoa, particularly, the educational resources are extremely limited. The demonstration projects would address the special needs of native children in these areas who are gifted and talented. The projects would identify the educational, emotional, and social needs of the students and their families and conduct activities designed to help meet those needs. Additionally, the proposal would authorize the establishment of a scholarship program for American Samoans and Guamanians. Most students who pursue higher education are forced to leave the islands because of limited higher education resources available locally, and travel in the Pacific is extremely costly. Thus, the scholarship program would be used to help for travel as well as tuition costs.

Mr. President, the final provision of the Senate substitute to H.R. 5040 is identical to S. 1781, the Native Ameri-

can Languages Act, which passed the Senate under unanimous consent on April 3, 1990. Although the select committee has already approved this legislation, the native American communities involved in native language development and perpetuation have requested that the select committee continue in its efforts to help this bill keep moving through Congress. These communities have expressed an overwhelming desire to see this legislation become law this year. The purpose of the legislation is to declare that it is the policy of the United States to preserve, protect and promote the rights and freedom of native Americans to use, practice, and develop native American languages. This legislation would facilitate the efforts of native Americans to exert leadership in developing language programs appropriate to their areas. Language practitioners are not looking for new authorizations or leadership from the Federal Government on this matter, rather they are seeking the institutional support of the Federal Government for their ongoing efforts.

Mr. McCAIN. Mr. President, I am taking this action of substituting my bill, S. 2167, for the text of H.R. 5040, together with our bill establishing a policy of respect for native American languages, to assure that action on both important issues is accomplished this Congress. In addition to reauthorizing tribally controlled community colleges, as the House bill would do, my bill contains provisions to help the colleges operate more effectively and to allow the colleges to benefit more fully from the tribal college endowment fund. In addition, the bill provides for an expansion of the previously authorized gifted and talented demonstration centers to serve Alaska Natives, Guamanians, and American Samoans.

On the reauthorization of the tribal colleges, I want to express my thanks to my cosponsors—Senators INOUYE, DASCHLE, CONRAD, BURDICK, MURKOWSKI, DECONCINI, and GORTON.

The 22 tribally controlled community colleges now enroll about 16,000 young people and adults, most of them residing on reservations remote from other opportunities to obtain postsecondary education. In these colleges, they are studying standard academic subjects, and nursing, business administration, and other subjects leading to associate degrees, and in two of the colleges, bachelor of arts or science degrees, and in one, a master of science degree. In addition to being close to home geographically, these colleges are close to the values and traditions of the tribes which have founded and operate them.

What is too little known is that the tribally controlled community colleges also enroll non-Indians, and that non-Indians make up perhaps 10 percent of all students enrolled. Absent this opportunity, these non-Indians in rural areas would probably not be enrolled in any academic or vocational coursework. State institutions are just too distant from their homes.

Only one of the colleges is located in my home State. It is the Navajo Community College, the oldest and largest of the colleges. The other 21 are located in nine other western or Midwestern States—Montana, South Dakota, North Dakota, California, Michigan, Minnesota, Nebraska, Washington, and Wisconsin.

I am pleased that the Select Committee on Indian Affairs adopted the tribal college bill unanimously, for it has the unequivocal support of the tribal colleges themselves. Based upon the testimony at our hearing in Bismarck, ND, I anticipate no objection to the bill from the administration. I want to express my appreciation to my distinguished colleague, Senator CONRAD, for his many contributions to this bill, including his service in conducting the hearing in Bismarck.

In closing, I must note that the colleges have an additional need, which is beyond the authority of the select committee to meet, and that need is for a level of funding approaching the level authorized, but never appropriated. The level authorized is $5,820 per Indian student count, but this year the appropriation level allows less than $2,200 per student. I am not unmindful of the many demands made of the Appropriations Committee for funds, but I am hopeful that the pressing need of the tribally controlled community colleges for increased funding can be recognized and met in the fiscal year 1991 budget.

Mr. CONRAD. Mr. President, I would like to express my strong support for enactment of S. 2167, which reauthorizes the Tribally Controlled Community College Assistance Act of 1978. I am also pleased that the bill was modified to include a slightly altered version of S. 2213, which I introduced earlier this year to double the Federal endowment dollar that goes to tribal colleges.

I was privileged earlier this year to chair the committee's reauthorization hearing in Bismarck, ND. At that hearing, the committee received excellent testimony from nine witnesses regarding S. 2167 and S. 2213. The witnesses unanimously supported enactment of S. 2167 and suggested a few minor changes that have been incorporated into the bill.

The lone voice of opposition to S. 2213 at the hearing was the Bureau of Indian Affairs. The Bureau argued that the bill should not be considered in the fiscal year 1990 or 1991 budget context. Therefore, the endowment proposal in S. 2167 does not take effect until fiscal year 1992.

The bill also allows gifts of real or personal property to be credited toward the match. Tribal colleges generally are cash poor. This provision will enable the colleges to increase their endowments without forcing them to identify large sources of cash.

Tribal colleges have an enormous positive impact on the reservations where they exist. These institutions have accomplished more, and with fewer resources, than just about any institutions I have ever seen.

Tribal colleges offer stability in areas where insecurity is often the rule of the day. They provide educational opportunities for many individuals who would not otherwise receive a comparable education. And they are helping Indian country prepare to meet the challenges of the future.

Mr. President, tribal colleges get the job done. Every dime the Federal Government spends on these institutions is money well spent. I am pleased to support this important legislation before us today.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

So the bill (H.R. 5040), as amended, was passed.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

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

The motion to lay on the table was agreed to.

THE FIRE SAFE CIGARETTE ACT OF 1990

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 293, the Fire Safe Cigarette Act of 1990 just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 293) to direct the completion of the research recommended by the Technical Study Group on Cigarette and Little Cigar Fire Safety and to provide for an assessment of the practicality of a cigarette fire safety performance standard.

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

There being no objection the Senate proceeded to consider the bill.

Mr. CRANSTON. Mr. President, I am pleased that the Senate today is taking an important step in encourag-

ing the development of a firesafe cigarette. The necessity of moving forward in this area could not be more clear.

Year after year cigarette fires are the leading cause of residential fire deaths in the United States. In 1987, the most recent year for which the U.S. Fire Administration has compiled data, 1,492 deaths resulted from cigarette-ignited fires; 3,809 serious injuries also occurred, and $395,000,000 in property damage resulted from these fires.

These numbers and the human tragedy they represent don't have to be so high. Over the last decade I have introduced and supported numerous pieces of legislation to address this serious problem. One piece of legislation that I joined with my colleague Senator HEINZ in introducing in the 98th Congress, S. 1935, became the Cigarette Safety Act of 1984. This act established the Technical Study Group on Cigarette and Little Cigar Fire Safety to conduct studies and make recommendations concerning the technical and economic feasibility of developing less fire-prone cirgarettes and little cigars.

The study group submitted its final report in 1987. This report states that it is "technically feasible" to develop cigarettes that will have a "significantly reduced propensity to ignite upholstered furniture or mattresses." So, Mr. President, I repeat: The numbers I cited earlier do not have to be so high. Unfortunately, the tobacco industry has failed in what I consider to be its responsibility to develop the safest product possible. And when an industry fails in its obligation to consumers, Congress must act to protect the public interest.

Thus, once the feasibility of developing a less fire-prone cigarette was established, I introduced legislation in 1987 to mandate the development of performance standards for less fire-prone cigarettes and to require cigarette manufacturers to comply with such standards. I reintroduced this legislation last year in the form of bill S. 17. The bill before us today, H.R. 293, was, in its original form, companion legislation to S. 17.

The version of H.R. 293 we are considering today is a compromise. Unlike the original bill, it does not mandate a standard of fire safety that cigarettes would have to meet. Thus the legislation moves more slowly than I would like. It does, however, move in the right direction. For this reason, I support the compromise that arises out of the hard work of Representative MOAKLEY, who has been tireless in his efforts in this area over the years.

The bill before us today will require the completion of the research recommended by the Technical Study Group in its 1987 report. Under the direction of the Consumer Product Safety Commission, researchers will develop a standard test method to determine cigarette ignition propensity. This test is needed to ascertain the extent to which cigarettes represent a fire hazard. Under this act, 3 years of study will ensue with respect to the test method and other investigations in relation to this subject.

I expect that after these 3 years, we will once again be presented with a chance to mandate a performance standard. I hope that will occur without further delay. Too many lives have already been lost in the years we have waited for a solution to this tragic problem. I look forward to the day that we will move from technical feasibility to practical reality. This legislation will move us closer to that day, and I urge its adoption.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 293) was ordered to a third reading, was read the third time, and passed.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

The bill (H.R. 293) was passed.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

ORDERS FOR TUESDAY, JULY 31, 1990

Mr. BOREN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Tuesday, July 31; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that upon the reservation of the two leaders' time, there be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; and that on tomorrow the Senate stand in recess from 12:30 p.m. to 2:15 p.m. in order to accommodate the respective party conferences.

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

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. BOREN. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess in accordance with the previous order.

The motion was agreed to and, at 8:38 p.m., the Senate recessed until Tuesday, July 31, 1990, at 8:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, July 30, 1990*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

When we are hungry, O God, feed us with the bread of life; when we are thirsty, may we drink from the fount of wisdom; when we are weak, nourish us with the food that fills the soul; and at the last, grant us eternal rest. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Pennsylvania [Mr. WALGREN] please come forward and lead the House in the Pledge of Allegiance?

Mr. WALGREN led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H.R. 4872. An act to establish the National Advisory Council on the Public Service; and

H.J. Res. 548. Joint resolution designating the week of August 19 through 25, 1990, as "National Agricultural Research Week."

The message also announced, that the Senate disagrees to the amendments of the House to the bill (S. 2088) entitled "An act to amend the Energy Policy and Conservation Act to extend the authority for titles I and II, and for other purposes," and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, Mr. MCCLURE, and Mr. DOMENICI, to be the conferees on the part of the Senate.

RECAPITALIZATION OF FSLIC

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, 4 years ago today, July 30, 1986, I along with 15 other Republican Members of the Banking Committee wrote to the then chairman of the Banking Committee urging an expeditious markup of H.R. 4907. That bill was the administration's first FSLIC recapitalization proposal. It would have provided $15 billion, to be privately funded from the thrift industry, in order to clean up the S&L problem.

The subcommittee had marked up the bill on July 17, but for some reason we felt the chairman was delaying a markup at the full committee level.

In fact, it was not until September 23 that the committee marked up the bill, but also added several extraneous matters to it. Regrettably, the FSLIC bill never made it out of the 99th Congress for a number of reasons. And in fact, it was not until August 1987, more than a year and a half after the administration had first proposed a FSLIC recapitalization that the Congress finally acted to provide only two-thirds of the amount requested by the administration.

What happened is obvious. The U.S. League waged a power game in a blatant effort to defer and reduce industry assessments on a timely basis so that the taxpayers were hit with a bigger tab later.

In simplest terms, they won; the taxpayer lost.

Mr. Speaker, I do not like to play the blame game, but the record needs to be set straight.

Led by the minority on the Banking Committee there was an effort to deal with the issue on a more timely basis. There is no doubt that the S&L crisis would be less severe today if the majority had followed the lead of the minority back in 1986.

PRESIDENT BUSH'S SUPREME COURT NOMINEE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, you cannot see it. You cannot hear it. You cannot even detect it by radar, and I am not talking about the B-2 bomber today. I am talking about David Souter, President Bush's pick and nominee for the Supreme Court.

Think about it. The American people know absolutely nothing about David Souter, nothing. And that is evidently why President Bush selected David Souter.

Here is a man that should be on the surface confirmed very easily. Why all the secrecy? I find it highly suspicious when the American people know more about the political views of Captain Kangaroo than they do about the man who may next serve on the Supreme Court of this Nation.

The truth is you could bet your booty that David Souter's personal legal philosophy is right out of Robert Bork's personal writings and memos. Tricky, tricky, tricky.

What is next? Will we know more about the clerks at 7-Eleven than we know about our Supreme Court justices?

AMERICANS ARE WILLING TO MAKE SACRIFICES

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, each time I return to Wyoming I come back struck with the notion that there is such an entirely different view of spending and the need for taxation between this place and when we go home. I find people in Wyoming are much more willing to make some sacrifices if that is necessary to be financially responsible.

In this place we are surrounded by agencies, we are surrounded by lobbyists who make us feel as though if we do not have an increase in their budget that we will surely expire by the end of next week.

I suggest that is not the feeling in Green River or Greybull, WY. They are willing to live with last year's expenditures.

□ 1210

Each morning we wring our hands about the deficit. In the afternoon we vote for appropriation bills 10 percent and 15 percent over last year's level of spending. If we are going to have to make some sacrifice—and I think we are willing to do it, there is no gain without some pain—I suggest this body pay a little closer attention to the folks at home and a little less about the area surrounding the District.

A TRIBUTE TO JIM FRED MILLS

(Mr. HUBBARD asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it is indeed a pleasure and a privilege to pay tribute this afternoon to a longtime dear friend, Jim Fred Mills of Marion, KY.

For 25 years, from November 1963 to February 1988, Jim Fred Mills was the effective and efficient district manager of the Henderson-Union Rural Electric Cooperative Corp. office at Marion, KY. He began working with Henderson-Union RECC at the Henderson, KY, office in 1947 at age 21.

Jim Fred Mills has been recognized by the thousands of Kentuckians who knew him as a talented, hard-working and personable man.

To know Jim Fred Mills was to like and admire him.

Jim Fred Mills died at age 64 last Thursday night at St. Mary's Hospital in Evansville, IN.

Surviving are his lovely wife Martha Mills; five sons, Jerry, Tom, Donnie, Billy, and Hank; three daughters, Betty Boyd, Laura Smith, and Lisa Mills; three sisters, Mary Frances Strehle, Evelyn Vowels, and Sister Elizabeth Jean Mills; and 12 grandchildren.

My wife Carol and I extend to Martha Mills and the Mills family our sympathy.

THE PRESIDENT HAS A RIGHT TO CHOOSE HIS OWN NOMINEES

(Mr. HOLLOWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLOWAY. Mr. Speaker, it bothers me very much to listen to our friend from Ohio criticize the President's Supreme Court nominee. It is unfortunate that the President has to be secretive about the nomination process because he cannot propose an individual for the Supreme Court or the Cabinet, whatever, without being bashed for it.

To me, the people of this country have elected a President, a President who stands for conservative views, conservative values and a conservative philosophy. For him to nominate a highly qualified individual such as our last nominee, Judge Robert Bork, and to have him unfairly criticized by the opposition bothers me very much.

I stand here to declare that the President has a right to appoint a person who shares his views and philosophy. He should be able to do so openly and expect a fair and impartial analysis of the candidate's views. But as we have seen, a great judge like Robert Bork, who probably would have been among the greatest of Supreme Court justices, did not even get through the Senate; I say I stand here in support of Judge David Souter, President Bush's nominee, I stand in support of the President's right to choose a person of conservative thinking. I respect Governor Sununu very greatly. And if he had a significant role in the nomination process, I think that Judge Souter will make a great Supreme Court Justice.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after consideration of H.R. 5313, the military construction appropriations bill.

FIRE SAFE CIGARETTE ACT OF 1990

Mr. WALGREN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 293) to direct the Consumer Product Safety Commission to promulgate fire safety standards for cigarettes and for other purposes, as amended.

The Clerk read as follows:

H.R. 293

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

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Fire Safe Cigarette Act of 1990".

(b) FINDINGS.—The Congress finds that—

(1) cigarette-ignited fires are the leading cause of fire deaths in the United States,

(2) in 1987, there were 1,492 deaths from cigarette-ignited fires, 3,809 serious injuries, and $395,000,000 in property damage caused by such fires;

(3) the final report of the Technical Study Group on Cigarette and Little Cigar Fire Safety under the Cigarette Safety Act of 1984 determined that (A) it is technically feasible and may be commercially feasible to develop a cigarette that will have a significantly reduced propensity to ignite furniture and mattresses, and (B) the overall impact on other aspects of the United States society and economy may be minimal,

(4) the final report of the Technical Study Group on Cigarette and Little Cigar Fire Safety under the Cigarette Safety Act of 1984 further determined that the value of a cigarette with less of a likelihood to ignite furniture and mattresses which would prevent property damage and personal injury and loss of life is economically incalculable,

(5) it is appropriate for the Congress to require by law the completion of the research described in the final report of the Technical Study Group on Cigarette and Little Cigar Fire Safety and an assessment of the practicability of developing a performance standard to reduce cigarette ignition propensity, and

(6) it is appropriate for the Consumer Product Safety Commission to utilize its expertise to complete the recommendations for further work and report to Congress in a timely fashion.

SEC. 2. COMPLETION OF FIRE SAFETY RESEARCH.

(a) CENTER FOR FIRE RESEARCH.—At the request of the Consumer Product Safety Commission, the National Institute for Standards and Technology's Center for Fire Research shall—

(1) develop a standard test method to determine cigarette ignition propensity,

(2) compile performance data for cigarettes using the standard test method developed under paragraph (1), and

(3) conduct laboratory studies on and computer modeling of ignition physics to develop valid, user-friendly predictive capability.

The Commission shall make such request not later than the expiration of 30 days after the date of the enactment of this Act.

(b) COMMISSION.—The Consumer Product Safety Commission shall—

(1) design and implement a study to collect baseline and followup data about the characteristics of cigarettes, products ignited, and smokers involved in fires, and

(2) develop information on societal costs of cigarette-ignited fires.

(c) HEALTH AND HUMAN SERVICES.—The Consumer Product Safety Commission, in consultation with the Secretary of Health and Human Services, shall develop information on changes in the toxicity of smoke and resultant health effects from cigarette prototypes. The Commission shall not obligate more than $50,000 to develop such information.

SEC. 3. ADVISORY GROUP.

(a) ESTABLISHMENT.—There is established the Technical Advisory Group to advise and work with the Consumer Product Safety Commission and National Institute for Standards and Technology's Center for Fire Research on the implementation of this Act. The Technical Advisory Group may hold hearings to develop information to carry out its functions. The Technical Advisory Group shall terminate 1 month after the submission of the final report of the Chairman of the Consumer Product Safety Commission under section 4.

(b) MEMBERS.—The Technical Advisory Group shall consist of the same individuals appointed to the Technical Study Group on Cigarette and Little Cigar Fire Safety under section 3(a) of the Cigarette Safety Act of 1984. If such an individual is unavailable to serve on the Technical Advisory Group, the entity which such individual represented on such Technical Study Group shall submit to the Chairman of the Consumer Product Safety Commission the name of another individual to be appointed by the Chairman to represent such group on the Technical Advisory Group.

SEC. 4. REPORTS.

The Chairman of the Consumer Product Safety Commission, in consultation with the Technical Advisory Group, shall submit to Congress three reports on the activities undertaken under section 2 as follows: The first such report shall be made not later than 13 months after the date of the enactment of this Act, the second such report shall be made not later than 25 months after such date, and the final such report shall be made not later than 36 months after such date.

SEC. 5. CONFIDENTIALITY.

(a) IN GENERAL.—Any information provided to the National Institute for Standards and Technology's Center for Fire Research,

to the Consumer Product Safety Commission, or to the Technical Advisory Group under section 2 which is designated as trade secret or confidential information shall be treated as trade secret or confidential information subject to section 552(b)(4) of title 5, United States Code, and section 1905 of title 18, United States Code, and shall not be revealed, except as provided under subsection (b). No member or employee of the Center for Fire Research, the Consumer Product Safety Commission, or the Technical Advisory Group and no person assigned to or consulting with the Center for Fire Research, the Consumer Product Safety Commission, or the Technical Advisory Group, shall disclose any such information to any person who is not a member or employee of, assigned to, or consulting with, the Center for Fire Research, Consumer Product Safety Commission, or the Technical Advisory Group unless the person submitting such information specifically and in writing authorizes such disclosure.

(b) CONSTRUCTION.—Subsection (a) does not authorize the withholding of any information from any duly authorized subcommittee or committee of the Congress, except that if a subcommittee or committee of the Congress requests the Consumer Product Safety Commission, the National Institute for Standards and Technology's Center for Fire Research, or the Technical Advisory Group to provide such information, the Commission, the Center for Fire Research, or Technical Advisory Group shall notify the person who provided the information of such a request in writing.

The SPEAKER pro tempore. Is a second demanded?

Mr. NIELSON of Utah. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. WALGREN] will be recognized for 20 minutes and the gentleman from Utah [Mr. NIELSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House today is considering legislation to move us closer to the important goal of developing firesafe cigarettes. Last Thursday, the Energy and Commerce Committee approved, by voice vote, H.R. 293, as amended, the Fire Safe Cigarette Act of 1990. The original legislation was introduced by Congressman MOAKLEY, who deserves enormous credit from us all for his continual efforts on the issue. I also want to recognize the efforts of our committee colleague from Virginia, Congressman BOUCHER, and his willingness to join in the search for common ground that resulted in the agreed upon approach, Congressman BLILEY has played a similarly helpful role. I also want to thank the gentleman from New Jersey [Mr. ROE] and the gentleman from North Carolina [Mr. VALENTINE], the chairmen of the Committee on Science, Space, and Technology and its Science, Research and Technology Subcommittee, respectively, for their cooperation in expediting this legislation.

During the consideration of H.R. 293 by the Commerce Subcommittee, an amendment in the nature of a substitute was offered by Congressman BOUCHER, reflecting his compromise with Congressman MOAKLEY. The bill before us today incorporates this compromise.

The fire loss in the United States is among the worst in the industrialized world. Cigarette ignition of furniture and mattresses is by far the leading cause of fire deaths. Tragically, there are about 1,400 deaths annually from cigarette fires—about 30 percent of all residential fire deaths—and we owe it to these victims to pursue the development of a firesafe cigarette. The annual toll in serious injuries and property damage is also severe.

Some progress has been made in this horrible situation as a result of a mandatory mattress flammability standard and voluntary furniture standards. Yet these products have long life spans and it will be many years until all furniture in homes is more fire resistant. In contrast, cigarettes are used quickly.

In 1987, the Technical Study Group on Cigarette and Little Cigar Fire Safety, created by Congress to examine this issue, reported that,

It is technically feasible and may be commercially feasible to develop cigarettes that will have a significantly reduced propensity to ignite upholstered furniture or mattresses.

The Technical Study Group recommended specific further research on the development of a standard test method to determine cigarette ignition propensity.

The compromise bill the House is considering today would require the completion of that necessary research. The Consumer Product Safety Commission would have the lead role in coordinating this work. The Center for Fire Research at the National Institute of Standards and Technology and the Department of Health and Human Services would work with the CPSC and assist in the technical work.

In lieu of a committee report, I am inserting into the RECORD following this statement a section-by-section analysis and description of the legislation, as amended. This analysis provides the legislative history for the bill.

Like any compromise, not everybody is completely satisfied. But all agree that further research work is necessary. This compromise will provide for the completion of this work in an objective manner and will bring us closer to the actual development of firesafe cigarettes. I urge its support.

Mr. Speaker, the section-by-section analysis is as follows:

SECTION-BY-SECTION ANALYSIS AND DESCRIPTION OF H.R. 293, AS AMENDED, FIRE SAFE CIGARETTE ACT OF 1990

SECTION 1. SHORT TITLE; FINDINGS

Subsection (a) provides the short title of the bill, the "Fire Safe Cigarette Act of 1990."

Subsection (b) provides Congressional findings.

SECTION 2. COMPLETION OF FIRE SAFETY RESEARCH

Subsection (a) provides that, at the request of the Consumer Product Safety Commission (CPSC), the Center for Fire Research (CFR) of the National Institute of Standards and Technology (NIST) shall: (1) develop a standard test method to determine cigarette ignition propensity; (2) compile performance data for cigarettes using the standard test method; and (3) conduct laboratory studies on and computer modeling of ignition physics to develop valid, user-friendly predictive capability. The CPSC shall make such request not later than 30 days after the date of enactment. The CPSC is expected to transfer to the CFR the appropriate funding, as necessary and appropriate, for the work requested of the CFR by the CPSC under this subsection.

Subsection (b) requires the CPSC to (1) design and implement a study to collect baseline and follow-up data about the characteristics of cigarettes, products ignited, and smokers involved in fires, and (2) develop information on societal costs of cigarette-ignited fires.

Subsection (c) requires the CPSC, in consultation with the Secretary of Health and Human Services, to develop information on changes in the toxicity of smoke and resultant health effects from cigarette prototypes. The subsection provides that the CPSC shall not obligate more than $50,000 to develop such information.

It is important to note that the tasks assigned to the CPSC under this legislation are in addition to those under current law. The agency will require additional funding to perform these additional tasks if the CPSC's existing activities are to be adequately funded. Thus, it is important to note that the fiscal year 1991 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, as passed by the House, includes an additional one million dollars in the appropriation for the CPSC for some of the activities contemplated by this legislation.

Laws affecting the responsibilities of the NIST fall under the jurisdiction of the Committee on Science, Space, and Technology under clause 1(r)(2) of Rule X of the Rules of the U.S. House of Representatives. Under normal circumstances, the provisions of the amended bill affecting the NIST could have triggered a sequential referral to the Committee on Science, Space, and Technology. However, Chairman Roe of that Committee agreed to waive his right to consider the legislation without prejudice. An exchange of letters confirming the agreement follows:

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, July 26, 1990.

Hon. ROBERT A. ROE,
Chairman, Committee on Science, Space, and Technology, Washington, DC.

DEAR MR. CHAIRMAN: On July 26, 1990, the Committee on Energy and Commerce met in open session and ordered reported the bill, H.R. 293, the Fire Safe Cigarette Act of 1990, amended, by voice vote.

The legislation, as amended, directs the completion of the research, studies and other activities recommended by the Technical Study Group on Cigarette and Little Cigar Fire Safety. The completion of this work could lead to the successful development of a cigarette fire safety performance standard for cigarettes with less likelihood of igniting mattresses and upholstered furniture. Under the amended bill, the Consumer Product Safety Commission would play the lead role in coordinating the work, with the Center for Fire Research of the National Institute of Standards and Technology (NIST) and the Department of Health and Human Services providing technical assistance.

While we would very much like to move forward on this legislation, we recognize that provisions affecting the responsibilities of NIST fall under the jurisdiction of the Committee on Science, Space, and Technology under clause 1(r)(2) of Rule X of the Rules of the U.S. House of Representatives. Under normal circumstances, the provisions of the amended bill affecting the NIST could trigger a sequential referral to the Committee on Science, Space, and Technology.

Given the late date in this session and the cooperative spirit in which your Committee has worked with us, we would respectfully request that the Committee on Science, Space, and Technology waive its right to consider the legislation without prejudice and thus avoid any delay in consideration of this legislation by the full House. Despite such a waiver, this letter is intended as a firm acknowledgment of your Committee's jurisdiction. The agreement to avoid delay of this legislation is necessary solely as a result of the short time remaining in this session and our mutual desires to move expeditiously towards passage.

Please let us know as quickly as possible if our approach is acceptable to you in your capacity as Chairman of the Committee on Science, Space, and Technology. Thank you for your gracious consideration and attention to this matter.

Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY,
Washington, DC, July 27, 1990.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, Washington, DC.

DEAR MR. CHAIRMAN: We are writing in response to your letter of July 26, 1990 requesting that the Committee on Science, Space, and Technology waive its right to consider H.R. 293, the Fire Safe Cigarette Act of 1990 without prejudice.

H.R 293, as amended and reported by the Committee on Energy and Commerce, on July 26, 1990, directs the completion of the fire safety work recommended by the Technical Study Group on Cigarette and Little Cigar Fire Safety. The bill requires the completion of the fire safety work described in the final report of the Technical Study Group. The Consumer Product Safety Commission (CPSC) plays the lead role in coordinating this work. In particular, at the request of the CPSC, the Center for Fire Research (CFR) of the National Institute of Standards and Technology shall: (1) develop a standard test method to determine cigarette ignition propensity; (2) compile performance data for cigarettes using the standard test method; and (3) conduct laboratory studies on and computer modeling of ignition physics to develop valid, user-friendly predictive capability. The CPSC request of the CFR must be made no later than 30 days after enactment.

We appreciate that you recognize the laws affecting the responsibilities of the National Institute of Standards and Technology are subject to the jurisdiction of the Committee on Science, Space, and Technology under clause 1(r)(2) of Rule X of the Rules of the House of Representatives. Under normal circumstances, the Committee on Science, Space, and Technology would seek a sequential referral of H.R. 293, especially since the bill includes activities of the National Institute of Standards and Technology. However, we recognize the importance of H.R. 293 and congratulate you on your effort to bring the bill to the House for consideration as soon as possible.

Therefore, in a spirit of cooperation we will not seek sequential referral of H.R. 293. However, this action to expedite consideration of the bill should not be interpreted, in any respect, to waive jurisdiction of the Committee on Science, Space, and Technology over provisions in H.R. 293 or any other legislation addressing matters within the jurisdiction of the Committee on Science, Space, and Technology.

We are hopeful that the bill can be brought to the House for consideration immediately and that a much needed public law will be realized. To clarify the history on this legislation, we would appreciate a letter confirming my understanding, and that our letters be placed in the RECORD during House consideration.

Sincerely,

ROBERT A. ROE,
Chairman.

SECTION 3. ADVISORY GROUP

Subsection (a) establishes the Technical Advisory Group (TAG) to advise and work with the CPSC and CFR on the implementation of this Act. The TAG may hold hearings to develop information to carry out its functions. The TAG shall terminate one month after the submission of the final report of the Chairman of the CPSC under section 4.

Subsection (b) provides that the TAG shall consist of the same individuals appointed to the Technical Study Group (TSG) under section 3(a) of the Cigarette Safety Act of 1984. If such an individual is unavailable to serve on the TAG, the entity which such individual represented on the TSG shall submit to the Chairman of the CPSC the name of another individual to be appointed by the Chairman to represent such group on the TAG. It is expected the above procedure would also apply in case of any subsequent vacancy on the TAG. In addition, a member of the TSG who represented a Federal agency on the TSG but has since left the agency would be considered unavailable to serve on the TAG for purposes of this subsection, thus allowing the agency to submit the name of a current employee to represent it on the TAG.

SECTION 4. REPORTS

Section 4 requires the Chairman of the CPSC, in consultation with the TAG, to submit to Congress three reports on the activities undertaken under section 2: an interim report not later than 13 months after the date of enactment, another interim report not later than 25 months after the date of enactment, and a final report not later than 36 months after the date of enactment. It is expected that the interim reports would discuss the activities undertaken during the applicable time periods.

SECTION 5. CONFIDENTIALITY

Subsection (a) provides that any information provided to the CFR, CPSC, or TAG under section 2 which is designated as trade secret or confidential shall be treated as trade secret or confidential information subject to section 552(b)(4) of title 5 (the trade secret exemption to the Freedom of Information Act) and section 1905 of title 18, and shall not be revealed except to duly authorized committees or subcommittees of Congress. No member or employee of the CFR, SPSC, or TAG and no person assigned to or consulting with the CFR, CPSC, or TAG shall disclose such information to an outside party unless the person submitting the information specifically and in writing authorizes the disclosure.

Subsection (b) provides that the confidentiality restrictions in subsection (a) do not authorize the withholding of any information from any duly authorized committee or subcommittee of Congress, except that if a committee or subcommittee of Congress requests the CPSC, CFR, or TAG to provide such information, the CPSC, CFR, or TAG shall notify the person who provided the information of such request in writing.

Mr. Speaker, I reserve the balance of my time.

□ 1220

Mr. NIELSON of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I associate myself with the remarks made by the distinguished chairman of the committee, the gentleman from Pennsylvania [Mr. WALGREN]. I would like to indicate the compromise we arrived at is a combination of that by the distinguished chairman of the Committee on Rules, the gentleman from Massachusetts [Mr. MOAKLEY]. and also H.R. 267, which is cosponsored by the two members of the Committee on Energy and Commerce, the gentleman from Virginia [Mr. BOUCHER] and the gentleman from Virginia [Mr. BILLEY]. The compromise directs them to complete the study as the chairman mentioned, and also develop standards for cigarett ignition propensity. The compromise bill reestablishes a technical study group.

I strongly support the compromise bill, and I commend the people for their willingness to make reasonable concessions to reach agreement. Developing improved cigarette ignition standards, less likely to ignite fires, is an important step. I urge Members to support this.

Mr. Speaker, I ask unanimous consent to yield the balance of my time, and transfer the remaining time allotted to the ranking member of the subcommittee, the gentleman from Pennsylvania [Mr. RITTER].

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in a Commerce, Consumer Protection and Competitiveness Subcommittee hearing on May 16, 1990, testimony revealed that in 1987, an estimated 1,420 people lost their lives in 59,000 fires started by cigarettes. These fires also seriously injured 6,100 people, and destroyed $380,000,000 worth of property.

The bill that we consider today is a compromise between the advocates of H.R. 293, as introduced by the distinguished chairman of the Rules Committee, and H.R. 673, sponsored by the two members on the Energy and Commerce Committee from Virginia. This compromise bill directs the Consumer Product Safety Commission and the Center for Fire Research of the National Institute for Standards and Technology to undertake a number of studies on developing a standard for cigarette ignition propensity. The compromise bill also reestablishes the technical study group, that previously considered the question of cigarette flammability. I strongly support this compromise bill and I commend the participants in the process for their willingness to make reasonable concessions to reach agreement.

While I strongly support the compromise bill, I do have a small reservation about the bill's title: "The Fire Safe Cigarette Act of 1990." Based on the evidence we received at the hearing, I think that it is highly unlikely that a complete fire-safe cigarette can be developed. The best we are likely to obtain is a "reduced-flammability" or "less fire-prone" cirgarette; and to describe such a cigarette as "fire-safe," even in legislation titles, may be misleading to the public. Reducing the tragic toll that results from cigarette-ignited fires is not likely to be solved by the "magic bullet" of a "fire-safe" cigarette. It will more likely result from a combination of cigarette design, installation and maintenence of smoke detectors, and education of smokers on the circumstances under which smoking constitutes an unreasonable fire hazard. The message must be hammered home that smoking while intoxicated, drug-impaired, or simply sleepy is dangerous and irresponsible. I had considered offering an amendment at the full committee to retitle the bill. But I decided against doing so, in order not to upset the compromise that this bill represents. I suggest only that my colleagues consider whether rhetoric referring to "fire-safe cigarettes" is entirely realistic.

Developing an improved cigarette that is less likely to ignite fires is an important step in reducing the number of cigarette-ignited fires, and I urge my colleagues to join me in supporting this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. WALGREN. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. MOAKLEY], the originator of this program.

Mr. MOAKLEY. Mr. Speaker, I rise today in support of the agreement that I, Congressman WALGREN, Congressman BOUCHER, and Congressman BLILEY reached on H.R. 293, the Fire Safe Cigarette Act. I would like to commend Congressman DOUG WALGREN, chairman of the Subcommittee on Commerce, Consumer Protection, and Competitiveness for his leadership and assistance in forging this compromise on H.R. 293, and H.R. 673, the Fire Cigarette Implementation Act, as introduced by Mr. RICK BOUCHER. Additionally, I would like to applaud Mr. BOUCHER and Mr. BLILEY for their participation in the negotiations as well.

The new bill would direct the Consumer Product Safety Commission to complete the further research recommended in the final report of the technical study group on cigarette and little cigar safety. Specifically, the legislation calls for the development of a standard test method to determine cigarette ignition propensity. I firmly believe that this step is absolutely necessary to ultimately measure the fire safety of cigarettes.

Additionally, I would like to acknowledge that this is a compromise bill and both Congressman BOUCHER and I agreed to make concessions in order to devise legislation that is agreeable to all individuals involved. My principal goal is and has always been the issuance of a mandatory fire safety standard for cigarettes. While I and others would strongly prefer that a mandated fire safety standard for cigarettes be included in the new bill, I certainly do not want to detain the completion of the necessary technical work. The development of a validated test method will bring us closer to the actual development of a cigarette that would be less likely to ignite furniture and mattresses. I strongly urge my colleagues to fully support our new agreement.

One argument I have heard in opposition to my original proposal was that, while it is possible to design a fire safe cigarette, there is no assurance that the product will be commercially feasible. I have in the past refuted this argument by stating that I believe cigarette manufacturers will be able to develop a cigarette that is acceptable to smokers and I firmly believe that it is their responsibility to develop such a cigarette. Therefore, the current agreement does not mandate a study on commercial feasibility.

I first became involved in this issue in 1979, when a family of seven perished in a fire in my congressional district; five young children were burned to death. This tragic and fatal fire could have been prevented if a fire safe cigarette was available at that time.

In October 1979, I introduced the Cigarette Safety Act, which calls for the development of a performance standard to ensure that cigarettes have a minimum propensity to ignite furniture and mattresses. In 1984 an agreement was reached with the Tobacco Institute which created the technical study group on cigarette and little cigar safety to determine the technical, economic, and commercial feasibility of developing a cigarette with a minimum propensity to ignite upholstered furniture and mattresses.

In 1987, the final report of the TSG concluded "that it is technically feasible and may be commercially feasible to develop such cigarettes. Furthermore, the overall impact on other aspects of the United States economy may be minimal." The key characteristics that lead to a fire safe cigarette are: the presence of a filter tip, less porous paper, more expandable tobacco, no citrate added to the paper and a smaller diameter. Additionally the final report, recommended that the unfinished technical work be completed.

Congressman WALGREN, Congressman BOUCHER, Congressman BLILEY, and I all agree that the further technical work recommended by the technical study group needs to be completed. This new legislation calls for the completion of the work. I firmly believe that this agreement will bring us closer to the development of a cigarette that won't ignite furniture and mattresses.

Finally, this agreement is imperative in combating the problem of fires caused by carelessly discarded cigarettes. Two months ago, 11 years after I first introduced the Cigarette Safety Act, another family in my congressional district was killed in a fire caused by a carelessly discarded cigarette. The O'Neill family of Roslindale didn't stand a chance after a carelessly discarded cigarette was dropped into an overstuffed chair and eventually sparked a 5-alarm blaze. Three children, all under the age of 3, their parents, and a friend of the parents were burned to death.

Tragic and deadly fires like this one do not need to happen. I urge your full support for H.R. 293, the Fire Safe Cigarette Act.

Mr. BOUCHER. Mr. Speaker, earlier this summer the Subcommittee on Commerce Consumer Protection and Competitiveness held a hearing on two different proposals both of which are intended to move us closer to the day when we will develop a less fire prone cigarette. H.R. 293, sponsored by Congressman MOAKLEY would have required the establishment of a mandatory fire safety standard for cigarettes by the Consumer Product Safety Commission [CPSC]. H.R. 673, which I sponsored with my colleague Congressman

BLILEY, would have reestablished the Interagency Task Force which was created pursuant to legislation the Congress passed in 1984, and would have required a 13-person task force to implement the recommendations on fire safe cigarettes that the Interagency Task Force had developed.

At the subcommittee mark up I offered an amendment in the nature of a substitute for Congressman MOAKLEY's bill, which was approved by both the subcommittee and the full Energy and Commerce Committee. That is the measure which we are considering today.

This bill is a compromise which essentially requires the completion of the fire safety research which the Interagency Task Force had recommended, but directs the CPSC to take the lead role in coordinating the work. I want to congratulate all of the participants in this compromise for their hard work and willingness to consider the legitimate needs of all the various parties in arriving at this compromise.

I want to particularly congratulate Congressman MOAKLEY for his tireless efforts to establish a cigarette which is less likely to ignite fires. And I want to commend the tobacco industry for their cooperation in that effort.

The compromise measure we are considering today requires the CPSC to direct the Center for Fire Safety Research to perform three functions:

1. Develop a standard test method to determine cigarette ignition propensity.

2. Compile performance data for cigarettes using the standard test method.

3. Conduct laboratory studies using computer modeling of ignition physics to develop valid predictive capability.

The bill also requires the CPSC to design and implement a study to collect baseline and follow up data about the characteristics of the cigarettes, products ignited, and smokers involved in fires, along with the societal costs of cigarette-ignited fires. Finally, the CPSC, in consultation with the Secretary of Health and Human Services, is required to develop information on changes in the toxicity of smoke and resultant health effects from modified cigarettes.

The bill establishes a technical advisory group to advise and work with the CPSC and the Center for Fire Research on the implementation of the act. It also requires the chairman of the CPSC to submit three reports to the Congress on their progress. The two interim reports will come 13 and 25 months after the date of enactment respectively, and a final report is required 36 months after enactment.

Mr. Speaker, while the work described in this bill may sound like dry research, it addresses a matter of life and death. Of the billions of cigarettes smoked in the United States each year, almost an unmeasurable fraction were involved in fires. Still, in 1987 nearly 1,500 people lost their lives and another 3,000 were injured in cigarette related fires.

But the infinitesimal percentage of smoked cigarettes which are related to fires tells us that the careful smoker is not our true concern. But the smoker under the influence of alcohol, drugs or just plain bad judgment is. Since the fires caused by these foolish smokers can result in tragedy for totally innocent individuals it is appropriate that we enact this measure.

The goal of this bill is to facilitate the search for a commercially feasible cigarette modification which will reduce that portion of the accidental fire problem caused by carelessly handled cigarettes.

Those responsible for implementing the mandates of the bill must bear in mind that whatever proposals they develop must be capable of being incorporated into cigarette design and manufacture without impairing the acceptability of the product among consumers.

The Cigarette Safety Act of 1984 stated specifically that the technical study group was to "undertake, subject to oversight and review by the Interagency Committee, such studies as it considers necessary and appropriate to determine the technical and commercial feasibility, economic impact, and other consequences of developing cigarettes * * * having a minimum propensity to ignite upholstered furniture or mattresses."

Although the technical study group was able to complete substantial work on the issue of technical feasibility before its authority expired, no work was undertaken on the pivotal question of the commercial feasibility of alternative cigarette designs. Work in these areas must be undertaken and completed if the objectives of this bill are to be realized.

Once again, I want to congratulate Congressman MOAKLEY, and all of those who have been involved in negotiating this compromise for their efforts.

□ 1230

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again I wish to commend the gentleman from Massachusetts [Mr. MOAKLEY] for sticking with this stand. He has informed us that he first got interested in this issue in 1979, and it occurred to me that from 1979 to 1990, some 11 years, we should reflect on the death and destruction and heartache and ruin and financial loss that have occurred over those years due to cigarette fires. We all mentioned the statistics on an annual basis, but when we think of 11 years worth of those tragedies, like the one with the family of 7, and how many such tragedies could have been avoided, we really get a feel about how important this legislation is.

Mr. WELDON. Mr. Speaker, I rise today in strong support of H.R. 293. As the chairman of the Congressional Fire Services Caucus, I am extremely pleased to see the House take this action.

Each year, fires ignited by cigarettes claim hundreds of lives and destroys millions of dollars worth of property. In 1984 alone, more than 1,500 Americans lost their lives in fires started by cigarettes. There can be little doubt of the need for swift action by this body on this issue.

For that reason, I wish to commend the sponsor of this legislation, the gentleman from Massachusets [Mr. MOAKLEY]. He has taken a deep interest in this issue, and this bill would not have come to the floor without his diligent effort. I would also like to commend the gentleman from Virginia [Mr. BOUCHER], who introduced a similar measure. Both of these distinguished Members recognized the good work accomplished by the technical study group on cigarette and little cigar fire safety.

The technical study group indicated that it is possible to develop a cigarette which will be less likely to ignite mattresses and other furniture. Both Mr. MOAKLEY and Mr. BOUCHER have pursued legislation to bring such products to the market. This compromise takes a large step on the long road toward fire safety. The adoption of H.R. 293 signals the renewed dedication of Congress toward reduction in fire losses.

Let me also take a moment to praise the distinguished chairman of the Energy and Commerce Subcommittee on commerce, consumer protection, and competitiveness, the gentleman from Pennsylvania, [Mr. WALGREN]. As a cochairman of the congressional fire services caucus, he has been an active leader in our efforts to promote fire safety. After assume the chairmanship of this important subcommittee this year, Mr. WALGREN has made good on his promise to bring fire-safe cigarette legislation to the House floor. The compromise embodied in H.R. 293 would not have been possible without his leadership.

I urge all of my colleagues to support this bill. By further carrying out the recommendations of the technical study group on cigarette and little cigar fire safety, H.R. 293 will speed the development and marketing of a more fire safe cigarette.

Mr. Speaker, we will never be able to eliminate the toll which fire exacts from America. Despite the best intentions of this Congress and the 3 million fire service professionals across the Nation, the United States has the worst record of fire loss of any industrialized nation. This legislation is evidence that we are prepared to increase our efforts to promote fire and life safety.

Mr. ROE. Mr. Speaker, I rise in strong support of H.R. 293, the Fire Safe Cigarette Act of 1990. Fire is a phenomena that is going to occur—naturally and through human activity. Fire cannot be legislated away or ignored. However, in many instances technology exists—or, as in the case of the fire safe cigarette, technology is on the verge of being developed—that could reduce the occurrence of life-threatening fires. H.R. 293, requires the completion of technical work that will lead to the successful development of fire safety performance standards for cigarettes to reduce the likelihood of igniting matresses and upholstered furniture.

Cigarettes are the country's leading cause of fatal fires. About 1,500 Americans die each year in fires associated with cigarettes. Up to 4,000 serious injuries and about $400 million a year in property damage are also caused by cigarette-initiated fires.

Fortunately, we're not without hope. Research conducted by the National Institute of Standards and Technology indicates that small design changes in cigarettes will make them less prone to ignite furniture and bedding.

H.R. 293 had its inception with each family and friend that has lost a loved one to fire as

a result of a carelessly discarded cigarette. For Rules Committee Chairman JOE MOAKLEY, who has demonstrated yet again the unique caring leadership qualities that are his hallmark, it became a cause to champion in 1979 when a family of seven from his congressional district perished in a fire caused by a smoldering cigarette.

The bill being considered by the House represents an excellent compromise between Congressman MOAKLEY and Congressman RICK BOUCHER, who introduced similar legislation. I strongly commend them both for reaching an agreement that will reduce the likelihood of cigarettes remaining the leading cause of fire deaths. Also, I applaud Congressman DOUG WALGREN, who has had a long-standing interest in fire safety, for his efforts to bring this bill to the floor.

H.R. 293 provides an opportunity to complete research on technology that will serve and protect our citizens. I am proud to support this important legislation.

Mr. RITTER. With that, Mr. Speaker, I yield back the balance of my time.

Mr. WALGREN. Mr. Speaker, having no further requests for time, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALGREN] that the House suspend the rules and pass the bill, H.R. 293, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to direct the completion of the research recommended by the Technical Study Group on Cigarette and Little Cigar Fire Safety and to provide for an assessment of the practicality of a cigarette fire safety performance standard."

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 293, FIRE SAFE CIGARETTE ACT OF 1989

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 293, the Clerk be authorized to make such technical and conforming change as may be necessary to reflect the actions of the House in passing the bill, H.R. 293.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter therein, on H.R. 293, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ORPHAN DRUG AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4638) to revise the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and the Orphan Drug Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4638

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

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Orphan Drug Amendments of 1990".

(b) REFERENCE.—Whenever in this Act (other than sections 4 and 5) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. DESIGNATIONS.

(a) IN GENERAL.—Section 526(a)(2) (21 U.S.C. 360bb(a)(2)) is amended by inserting before the period at the end a comma and the following: "and on the basis of projections as to the number of persons who will be affected by the disease or condition 3 years from the date the request for designation of the drug is made under paragraph (1)".

(b) EXCLUSIVITY.—Section 527(b) (21 U.S.C. 360cc(b)) is amended by striking out "or" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon, and by adding at the end the following:

"(3) if a drug has been designated under section 526 for a rare disease or condition described in section 526(a)(2)(A) and if after such designation such disease or condition does not meet such description; or".

SEC. 3. SIMULTANEOUS DEVELOPMENT.

(a) IN GENERAL.—Section 527(b) (21 U.S.C. 360cc(b)), as amended by section 2(b), is amended by inserting "(1)" after "(b)", by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, by striking out "for a person who is not" and by inserting in lieu thereof "for an applicant who is not", and by adding at the end the following:

"(D) the Secretary finds, after providing the holder, such applicant, and other interested persons an opportunity to present their views, that the drugs of the holder and such applicant were developed simultaneously.

The Secretary shall make a decision on a request for a finding under subparagraph (D) not later than 60 days after the filing of the request.

"(2) For purposes of paragraph (1)(D), drugs of a holder and on applicant shall be considered to be developed simultaneously only if—

"(A) the applicant requested that its drug be designated under section 526 no later than 6 months after publication of the designation under section 526(c) of the holder's drug,

"(B) the applicant initiated the Human clinical trials that the applicant relied on in its application for such approval, certification, or license not more than 12 months after the date the holder initiated the human clinical trials that the holder relied on in its application for such approval, certification, or license, and

"(C) the applicant submitted such application, including the reports of the clinical and animal studies necessary for approval, certification, or licensing, not more than 12 months after the holder submitted its application, including such reports, for such action. "(3)(A) Paragraph (1)(D) does not apply to a drug—

"(i) approved under section 505, certified under section 507, or licensed under section 351 of the Public Health Service Act before August 15, 1990,

"(ii) for which an application under section 505 or 507 or such section 351 was submitted before August 15, 1990, or

"(iii) for which an exemption under section 505(i) or 507(d) was in effect before August 15, 1990, for which human clinical trials were actively being conducted before such date, and for which an application for designation under section 526 was submitted on or before July 16, 1990.

"(B) A drug designated under section 526 before the date of the enactment of the Orphan Drug Amendments of 1990 shall be considered to have been developed simultaneously under paragraph (1)(D) if it meets the requirements of subparagraphs (B) and (C) of paragraph (2).".

(b) PUBLICATION.—Section 526(c) (21 U.S.C. 360bb(c) is amended—

(1) by inserting "for a rare disease or condition" after "(a)", and

(2) by striking out "shall be made available to the public" and inserting in lieu thereof "shall be promptly published in the Federal Register and otherwise made available to the public in a manner designed to notify persons who have such disease or condition".

(c) STUDY.—

(1) The Secretary of Health and Human Services shall, subject to paragraph (2), enter into a contract with a public or nonprofit private entity to conduct a study of the effect on the development of drugs for rare diseases or conditions (as defined in section 526(a) of the Federal Food, Drug, and Cosmetic Act) of the amendments made by subsections (a) and (b).

(2) Upon the expiration of 2 years from the date of the enactment of this Act, the Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) for conducting the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall conduct the study prescribed by paragraph (1) through another public or nonprofit entity.

(3) The Secretary shall ensure that the study required in paragraph (1) is completed after sufficient data necessary for the study are available.

SEC. 4. OFFICE FOR ORPHAN DISEASES AND CONDITIONS.

Section 227 of the Public Health Service Act (42 U.S.C. 236)—

(1) by amending subsection (a) to read as follows:

"(a) There is established under the Assistant Secretary for Health an Office for Orphan Diseases and Conditions.",

(2) by striking out "Board" each place it appears and inserting in lieu thereof "Office",

(3) by striking out "drugs and devices" in subsection (b) and inserting in lieu thereof "drugs, devices, and medical foods",

(4) by inserting "of chapter V" after "subchapter B" in subsection (c)(1)(A), and

(5) by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following:

"(e) There is established an advisory commitee to advise the Office in carrying out its functions under this section. The advisory committee shall be appointed by the Secretary, in consultation with the Office and the Commissioner of the Food and Drug Administration, from persons knowledgeable about rare diseases and conditions, including 5 representatives of organizations of persons with rare diseases or conditions, 3 research scientists, and 3 representatives of health-related companies. The Secretary shall also appoint as liaisons to the committee individuals from the Food and Drug administration, the National Institutes of Health, and other appropriate Federal agencies.".

SEC. 5. AUTHORIZATION FOR ORPHAN DRUG ACT.

Section 5(c) of the Orphan Drug Act (21 U.S.C. 360ee(c) is amended by inserting before the period at the end a comma and the following: "$20,000,000 for fiscal year 1991, $25,000,000 for fiscal year 1992, and $30,000,000 for fiscal year 1993".

The SPEAKER pro tempore. Is a second demanded?

Mr. NIELSON of Utah. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Utah [Mr. NIELSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4638, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1983 the Congress passed the Orphan Drug Act to create incentives for research on and development of drugs for the treatment of rare diseases.

Today, all Members can be proud of the tremendous success of the program established by the Orphan Drug Act. Since 1983, the Food and Drug Administration has granted 375 orphan designations and it has approved 41 orphan drugs. By some estimates, this represents 10 times the number of orphan drugs under development during the 10 years prior to the time that Congress adopted the act.

However, there are two serious problems that have arisen under the act which would be remedied by H.R. 4638. First, the act defines a rare disease as a disease that affects fewer that 200,000 people. This showing is made at the time the drug is designated, which can be many years before the drug is actually marketed.

In the case of a disease such as AIDS, which has a rapidly growing patient population, a drug might qualify for orphan status at the time of designation, even though, at the time it is first sold, far more than 200,000 people have the disease. Section 2 of the bill would address this problem by requiring that the FDA project 3 years into the future when deciding whether a disease or condition qualifies as affecting fewer than 200,000 people. It would also mandate that a drug would lose its orphan drug status if the population ever goes above 200,000.

Second, in at least three instances, extremely profitable drugs have received the 7 years of exclusivity, even though they would clearly have been developed without the incentives of act, and even though in each case one or more other companies had been concurrently developing the drug and were racing to get their products on the market first.

One of these drugs, Human Growth Hormone, costs each patient between $10,000 and $30,000 per year and has annual sales of between $125 and $150 million. Another, EPO, costs $8,000 per patient and has annual sales of approximately $200 million, most of which is paid by the Medicare Program because EPO is used for patients on kidney dialysis. A third drug, Aerosol Pentamidine, is an AIDS drug that is also extremely expensive, extremely profitable, and purchased by the Federal Government.

The Orphan Drug Act was never intended to protect highly profitable drugs from competition. This is why the act needs to be fine-tuned in order to preserve the incentives where incentives are needed to stimulate drug development, but to allow competition where a drug would have been developed without the provision in the act that gives a 7-year monopoly to orphan drugs.

This issue is addressed in section 3 of the bill. Under that provision, two or more companies can both get on the market if they developed a drug simultaneously, which means they initiated clinical testing and filed their license applications within 1 year of each other. This provision will provide competition in markets where the profit potential of a drug was clear from the initial phases of research.

However, the simultaneous development provision would not apply to drugs that were already on the market, awaiting approval, or that both have applications for designationg pending and are in clinical trials.

The bill also contains two other provisions. Section 4 would substitute an Office of Orphan Disease and Conditions for the Orphan Products Board and section 5 would authorize the Orphan Drug Grant Program for 1990, 1991, and 1992.

H.R. 4638 represents a negotiated compromise between the majority and the minority on the Committee on Energy and Commerce. It was adopted by voice vote by the committee, and I urge all Members to support it today.

□ 1240

Mr. NIELSON of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in this country, as many as 10 to 20 million people suffer from approximately 5,000 different rare diseases. In 1983, the Orphan Drug Act was enacted to create incentives for companies to invest in developing new drugs for rare diseases. The primary incentive in the act is the grant of 7 years of market exclusivity to the first company that develops a new drug for a rare disease. During the 20 years prior to the act's enactment, only 10 orphan drugs were approved. In the 7 years since enactment, however, 45 orphan drugs have been approved and 133 are either undergoing human trials or are pending FDA review.

At this point, Mr. Speaker, I would like to commend the gentleman from California [Mr. WAXMAN], the chairman of the Health and Environment Subcommittee, for his leadership on this committee. I do not know of a committee in this Congress that does more work and is more current on legislation than that committee, that subcommittee, and it is a pleasure to serve with him.

Mr. Speaker, at subcommittee, this legislation was amended by the gentleman from Virginia [Mr. BLILEY]. This amendment will allow all drugs currently on the market to be grandfathered under the original market exclusivity provisions of the Orphan Drug Act. It also allows all drugs which are both in human clinical trials prior to August 15, 1990, and for which a request for designation was submitted by July 16, 1990, to be grandfathered under the original market exclusivity provisions of the act. This means that all pharmaceutical and biotechnology companies that have made financial commitments to research and development under the act will be able to continue their business decisions under the original rules. This

is a fair and equitable outcome for these companies.

Second, this amendment preserves the market exclusivity provisions of the original act. However, for future drugs these provisions will be changed to enhance fairness for companies that truly develop the same drug simultaneously. This result will be accomplished by a new 3-part test which a company must meet in order to be granted shared exclusivity with the first company on the market. The second drug must: First, be designated within 6 months after the first; second, must have been in human clinical trials no later than 12 months after the first drug commenced trials; and third must have its completed application filed with the FDA no later than 12 months after the application of the first drug. This test will allow for shared exclusivity for drugs that have clearly been developed simultaneously, but will exclude drugs where the second company has based its research on copying the work of the first.

I ask my colleagues for their support.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I want to express my gratitude to the gentleman from Utah [Mr. NIELSON] for his kind remarks.

Mr. NIELSON of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when this bill was in the subcommittee and was met with a great deal of controversy, a compromise was worked out that has allowed us here today to stand unanimously in urging this bill to move forward, and that compromise was fashioned to a great extent by the gentleman from New Mexico [Mr. RICHARDSON]. He has been a very important and a very constructive member of the subcommittee. When things have gotten difficult in subcommittee, he has been there to help us through, trying to bridge differences and to move this legislation forward.

Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I thank the chairman, the gentleman from California [Mr. WAXMAN], for his very nice words, and I think truly the compromise that was reached is a tribute to him and the gentleman from Virginia [Mr. BLILEY], who is not here, but I know was critical in fashioning this very important compromise. In addition, I know our colleague, the gentleman from Utah [Mr. NIELSON], by asking penetrating and very incisive questions about what all of this means on every issue, was very useful.

Mr. Speaker, I rise in strong support of this bill. I think, as the gentleman from California [Mr. WAXMAN] mentioned, the Orphan Drug Act was initiated in 1983 to create incentives for drug companies to research and develop drugs to treat rare and infrequently occurring diseases. The legislation did work, and it has gotten orphan drugs on the market. There has been some concern, however, about seemingly endless profits that have been made by a few companies and may, in fact, endanger the Orphan Drug Act. That is why we are proceeding today with this legislation.

Mr. Speaker, during the subcommittee process a compromise was reached after long hours of negotiation, which, in my judgment, strikes a fair and equitable balance between the concerns expressed by many that the Orphan Drug Act is endangered by orphan drugs which have become highly profitable and pharmaceutical companies who argued that the rules were being changed in midstream. Today's compromise allows limited and controlled competition for drugs which are simultaneously developed at all stages of the drug approval process.

More importantly, Mr. Speaker, the compromise contains a provision that I offered which eliminated the retroactive nature of the original bill. The elimination of prospectivity beginning with clinical trials protects the rights and concerns of those who, in good faith, undertook the research, development and tremendous expense of marketing orphan drugs for those afflicted with rare diseases who otherwise would have found no relief.

Again, Mr. Speaker, this is outstanding legislation that hopefully will be moving rapidly through this body and the other body. I once again want to thank the gentleman from California [Mr. WAXMAN], the chairman of the subcommittee. I want to thank the gentleman from Virginia [Mr. BLILEY] for his role in this compromise. Also, the gentleman from Utah [Mr. NIELSON], and I think the majority and minority staffs that labored strenuously under often very difficult circumstances to craft legislation that is fair, that will achieve both objectives, and that is protecting the public and the consumer from seemingly endless profits, but also stimulate research, development, protect those that have made substantial investment at the clinical trials level so that this needed research for many diseases that we do not have the answers to can proceed.

Mr. BLILEY. Mr. Speaker, I strongly opposed the original version of H.R. 4638 because I felt it would have seriously undermined the incentives that have worked so well to develop orphan drugs.

My concern was twofold: First, I was concerned that the simultaneous development provisions of the original bill would have destroyed any incentive to develop orphan drugs because the test for simultaneous development was so loose that latecomers or imitators could easily have been declared simultaneous developers.

Second, I was troubled by the retroactive nature of the bill. Drugs currently on the market as well as those in the pipeline would have been subject to a completely different set of rules than those which companies relied upon in good faith when making their investment decisions.

I am pleased that the compromise I worked out with Mr. WAXMAN resolves these two concerns. The compromise allows all drugs currently in the pipeline to be grandfathered under the original market exclusivity provisions of the Orphan Drug Act. This means that companies that have made financial commitments to research and development under the Orphan Drug Act will be able to continue their business decisions under the original act. This is a fair and equitable outcome for these companies.

Second, for future orphan drugs, the market exclusivity provisions will be changed to enhance fairness for companies that truly develop the same drug simultaneously. This result will be accomplished by a new three-part test which a company must meet in order to be granted shared exclusivity with the first company on the market. The second drug must: First, be designated within 6 months of the first; second, must have been in clinical trials no later than 12 months after the first drug was in clinical trials; and third, must have its complete new drug application filed with the Food and Drug Administration no later than 12 months after the new drug application of the first drug. This test will allow for shared exclusivity for drugs that have clearly been developed simultaneously, but will exclude drugs where the second company has based its research on copying the work of the first innovtive company.

The compromise allows the removal of market exclusivity in the event the patient population exceeds 200,000 at any time during the 7-year market exclusivity period. This provision will be applied both retroactively and prospectively. This provision is certainly in keeping with the original intention of the act. Orphan drugs almost exclusively serve small populations. And this provision is only likely to affect AIDS drugs and it is doubtful that anyone could argue that AIDS is an orphan disease. Hopefully this provision will have the effect of lowering the price of AIDS drugs.

I believe this compromise will be successful in both preserving the incentives to develop orphan drugs and in remedying some of the problems that have developed.

I urge my colleagues to join me in supporting it.

Mr. NIELSON of Utah. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the

House suspend the rules and pass the bill, H.R. 4638, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DRUG ABUSE TREATMENT WAITING PERIOD REDUCTION AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2461) to reauthorize appropriations to provide for and improve the Drug Treatment Waiting Period Reduction Grant Program under the Public Health Service Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2461

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 "Drug Abuse Treatment Waiting Period Reduction Amendment of 1990".

SEC. 2. REVISION AND EXTENSION OF PROGRAM FOR REDUCING WAITING PERIOD FOR DRUG ABUSE TREATMENT.

(a) TECHNICAL AMENDMENT REGARDING WAITING PERIOD.—Section 509E(a) of the Public Health Service Act (42 U.S.C. 290aa-12(a)) is amended by striking "the waiting list" and all that follows and inserting the following: "the waiting period for receiving, with respect to drug abuse, treatment services from public and nonprofit private providers of such services.".

(b) PRIORITIES IN MARKETING GRANTS; AUTHORITY FOR POSTTREATMENT SERVICES.—Section 509E of the Public Health Service Act (42 U.S.C. 290aa-12) is amended—

(1) by striking subsection (d);

(2) by redesignating subsections (c), (e), and (f) as subsections (e), (f), and (g), respectively; and

(3) by inserting after subsection (b) the following new subsections:

"(c) Subject to the availability of qualified applicants, the Secretary shall, in making grant under subsection (a), give priority to applicants that will provide, directly or through arrangements with public or nonprofit private entities, treatment services for drug abuse to pregnant or postpartum women.

"(d) A grantee under subsection (a) may expend not more than 50 percent of the grant to develop and provide, directly or through arrangements with public or nonprofit private entities, follow-up services to prevent the renewed abuse of drugs by individuals who have successfully completed, with respect to such abuse, a program of treatment provided by the grantee.".

(c) FUNDING.—

(1) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—Paragraph (1) of section 509E(g) of the Public Health Service Act, as redesignated by subsection (a)(2) of this section, is amended to read as follows:

"(1) In addition to amounts otherwise appropriated to carry out this section prior to fiscal year 1991, there are authorized to be appropriated an additional $40,000,000 to carry out this section.".

(2) INCREASE REGARDING LIMITATION ON AGGREGATE AMOUNT OF GRANTS.—Paragraph (2) of section 509E(g) of the Public Health Service Act, as redesignated by subsection (a)(2) of this section, is amended by striking "$100,000,000" and inserting "$40,000,000".

(3) AVAILABILITY OF CERTAIN FUNDS.—Notwithstanding section 307 of Public Law 101-164, amounts appropriated in such Public Law for the purpose of carrying out section 509E of the Public Health Service Act shall remain available for obligation for such purpose through December 31, 1990.

(d) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration shall prepare and submit to the Senate Committee on Labor and Human Resources, and the House Committee on Energy and Commerce, a report concerning the waiting-period-reduction grant program under section 509E of the Public Health Service Act. Such report shall include—

(1) a list and description of the programs that have been awarded grants under such section;

(2) with respect to the process by which funds awarded under such section are expended for treatment services for drug abuse, a description of the extent to which such process is different than the process by which funds received by the States under subpart B of title XIX of such Act are expended by entities to which the States have awarded such funds for the purpose of providing treatment services (including a description of the extent to which there are differences in the 2 processes in the manner in which the providers of such treatment services obligate and draw down funds);

(3) an assessment of the validity of waiting lists as a measure of treatment need and, if the report concludes that waiting lists are not the most accurate measure of treatment need, a description of other, more accurate means of measuring the need for treatment services within a specified geographic area;

(4) the views of State, local, and nongovernmental treatment experts with respect to the validity of waiting lists as a measure of treatment need and with respect to the efficacy of the waiting period reduction grant program; and

(5) an assessment of the effectiveness of the treatment programs that receive funding under such section, including the usefulness of mechanisms, such as drug testing, that detect renewed substance abuse, and information with respect to the current use of such mechanisms.

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect upon the date of the enactment of this Act.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN DRUG ABUSE DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Section 517 of the Public Health Service Act (42 U.S.C. 290cc-1) is amended by striking "There are" and all that follows through "section 515" and inserting the following: "For the purpose of carrying out this subpart, there are authorized to be appropriated".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

SEC. 4. TECHNICAL AMENDMENTS TO CERTAIN PROGRAMS.

(a) FORM OF ASSISTANCE FOR CONSTRUCTION OF FACILITIES TO SUPPLY SPECIALIZED MICE FOR BIOMEDICAL RESEARCH.—Public Law 101-190 (42 U.S.C. 289e note) is amended—

(1) in section 1—

(A) in the heading for the section, by striking "CONTRACT" and inserting "GRANT";

(B) in subsection (a), by striking "entering into a contract with" and inserting "making a grant to"; and

(C) in subsection (b), by striking "contract" and inserting "grant";

(2) in section 2—

(A) in subsection (a), in the matter preceding paragraph (1), by striking "enter into a contract" and inserting "make a grant";

(B), in subsection (a)(1), by striking "contract" and inserting "grant";

(C) in subsection (b)(1), in the matter preceding subparagraph (A), by striking "contractor" and inserting "grantee";

(D) in subsection (b)(1), in subparagraphs (A) and (B), by striking "a contract" each place such term appears and inserting "an agreement";

(E) in subsection (b)(2), by striking "contractor" and inserting "grantee";

(F) in subsection (d)(1), in the heading, by striking "CONTRACTOR" and inserting "GRANTEE"; and

(G) in subsection (d)(1)—

(1) by striking "enter into a contract" and inserting "make a grant"; and

(ii) by striking "the contract" and inserting "the grant";

(3) in section 3(a)—

(A) by striking "enter into a contract" and inserting "make a grant"; and

(B) by striking "the contract" and inserting "the grant";

(4) in section 4—

(A) in subsection (a)(1), in the first sentence—

(i) by striking "enter into a contract" and inserting "make a grant"; and

(ii) by striking "the contract" and inserting "the grant";

(B) in subsection (a)(2)(A), in the second sentence, by striking "in the contract";

(C) in subsection (b), in the matter preceding paragraph (1), by striking "enter into a contract" and inserting "make a grant";

(D) in subsection (b)(1), by striking "contract" and inserting "grant";

(E) in subsection (c), in the matter preceding paragraph (1), by striking "enter into a contract" and inserting "make a grant";

(F) in subsection (c)(1), by striking "contract" and inserting "grant";

(5) in section 5—

(A) in subsection (a), in paragraphs (1) and (2), by striking "contractor" each place such term appears and inserting "grantee";

(B) in subsection (b), in paragraphs (1) through (3), by striking "contractor" each place such term appears and inserting "grantee"; and

(C) in subsection (c), by striking "contractor" and inserting "grantee"; and

(6) in section 6(a), in the matter preceding paragraph (1), by striking "contractor" and inserting "grantee";

(b) INTRASTATE ALLOCATIONS FOR SUBSTANCE ABUSE PROGRAMS UNDER CERTAIN BLOCK GRANTS TO THE STATES.—Section 1916(c)(6)(A) of the Public Health Service Act is amended—

(A) in clause (i)—

(i) by striking "and" before "(III) in fiscal year 1989"; and

(ii) by striking before the period the following: ", and (IV) in fiscal year 1990 under appropriations made in Public Law 101-164 for allotments under this subpart"; and (B) in clause (ii)—

(i) by striking "and" before "(III) in fiscal year 1989"; and

(ii) by inserting before "bore to the funds" the following: ", and (IV) in fiscal year 1990 under appropriations made in Public Law 101-164 for allotments under this subpart".

(c) EFFECTIVE DATES FOR TECHNICAL AMENDMENTS.—

(1) CONSTRUCTION OF BIOMEDICAL FACILITIES.—The amendments made by subsection (a) shall take effect as if included in Public Law 101-190.

(2) INTRASTATE ALLOCATIONS FOR BLOCK GRANTS.—The amendments made by subsection (b) shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. NIELSON of Utah. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Utah [Mr. NIELSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. SPEAKER, every day there are thousands of people in this country who come to terms with their drug addiction and decide to seek treatment, but cannot get it. They cannot get treatment for their addiction because when they finally get to the clinic doors, they are turned away, they are told there are no slots, they are told to come back in 6 weeks or 6 months, or maybe a year.

Drug treatment centers all over the country are overwhelmed with demand for services, and they have been this way for some time. While the Federal Government provides funds to the States for developing and delivering drug treatment services, the Waiting List Reduction Program was specifically designed to allow Federal officials to target assistance at programs with the greatest need.

The $100 million appropriated for the Waiting List Program since 1988 has been expended, and yet the demand for treatment services persists. The Congress has already committed $40 million in additional funds to extending this program for fiscal year 1990, subject to the passage of this legislation. This bill provides the necessary authority for the Department of Health and Human Services to expend these needed funds.

Mr. Speaker, the legislation also makes a number of noncontroversial and technical amendments.

I urge support for the legislation and ask that the attached summary be placed in the RECORD after my remarks.

SUMMARY OF S. 2461

(1) Extend authorization of appropriations for drug abuse waiting list program. Legislation increases maximum authorization from $100 million to $140 million. In addition, the bill:

Places funding priority on programs for pregnant addicts.

Requires report on activities under the program.

Allows grantees to use up to 50% of funds for relapse prevention.

(2) Authorizes the Director of NIH to use a grant mechanism for construction of a mouse breeding facility. Current law authorized only contracts for this purpose.

(3) Clarifies that the demonstration programs of the National Institute on Drug Abuse are authorized by Title V of the Public Health Service Act.

(4) Amends the Alcohol, Drug Abuse and Mental Health Services Block (ADMS) Grant to require that substance abuse treatment funds made available in the 1990 Transportation Appropriations Bill are included in calculating INTRASTATE allotments. Intrastate allotments are the percentages of ADAMS block grant funds states allocate to substance abuse programs versus mental health programs.

□ 1250

Mr. NIELSON of Utah. Mr. Speaker, I yield myself such time as I may consume.

The legislation before us did not go through the committee process, but it merely makes technical amendments to which I know of no objections.

The first provision of the bill addresses the Waiting List Program for drug abuse treatment. It restates the goal of the program as reducing the waiting period for receiving drug abuse treatment rather than reducing waiting lists at treatment programs.

The bill permits grantees to use funds to provide followup services to those individuals who have successfully completed treatment so as to avoid a relapse back into drug use.

The legislation also increases the authorization of this program from $100 million to $140 million.

Another provision is a technical amendment to Public Law 101-190, a bill to authorize funds for the construction of a mouse research laboratory. The amendment merely changes all references to contract to grant in order to conform with the actual language used by the agency. This amendment was requested by the administration.

The final provision is a technical amendment to the alcohol, drug abuse and mental health services block grant. In the 1990 Department of Transportation appropriations bill, $415 million was allocated to the block grant to provide drug abuse treatment services. This amendment ensures that the funds will be expended on drug abuse treatment and not other services provided under the block grant.

Mr. Speaker, these amendments are noncontroversial and I urge my colleagues to support them.

Mr. ACKERMAN. Mr. Speaker, I rise in support of S. 2461, legislation that would provide an additional $40 million to expand and improve the drug treatment waiting period reduction grant program authorized under the Public Health Service Act.

Originally enacted as part of the Omnibus Narcotics Act (H.R. 5210) in the 100th Congress, this important program provides grants to expand drug abuse treatment capacity, a goal which must be met if we are to make a sincere and meaningful attempt to combat drug addiction.

I'm pleased to report that an amendment I offered to H.R. 5210 was incorporated into the measure. The proposal modified a substance abuse study called for in the bill by expanding the data collection requirements to include the number of individuals seeking drug abuse treatment and the length of time before they begin treatment. This information is vital to understanding just how widespread drug addiction is in our society and to what extent the desire for treatment goes unmet.

While H.R. 5210 was enacted into law, the funds appropriated to achieve the goals of the bill have been depleted. That is why today we are considering S. 2461, which will provide an additional $40 million to carry-out the drug treatment waiting period reduction grant program. S. 2461 also includes an added priority in awarding grants to facilities that provide drug treatment services to pregnant and postpartum women. This provision is of special significance to New York City, where the increase in the incidence of addicted newborns whose mothers used drugs during pregnancy is the most common cause for the increase in infant mortality.

Treatment capacity falls far short of the needs of New York City's drug abusers, conservatively estimated at 550,000. About 200,000 are addicted to heroin; the remainder to other illicit drugs, primarily cocaine and crack. New York City presently has licensed treatment capacity for only 42,000 people. Drug-free treatment is available for only 2 percent of the city's cocaine and heroin addicts.

It is clear that enforcement efforts alone, without matching efforts to reduce demand through drug treatment are not enough to reverse the destructive trend of drug abuse and its related crime. I urge my colleagues to support passage of S. 2461.

Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control, I rise in support of S. 2461, the drug treatment waiting list reduction bill.

I commend the gentleman from California [Mr. WAXMAN] for bringing this important piece of legislation to the floor. As you are aware, the Anti-Drug Abuse Act of 1988 authorized $100 million for a new program of grants to

reduce the waiting lists at drug treatment programs around our Nation. For 1989, $75 million was appropriated for this program. Last year, Congress appropriated an additional $65 million, $40 million over the authorized funding level. The law specifically required enactment of authorizing legislation before this additional $40 million could be spent. This bill is the needed vehicle to authorize that appropriation.

Another key provision in this bill would give priority to programs that serve pregnant addicts and babies born addicted to drugs, and to programs that provide aftercare. Chairman WAXMAN held a hearing on that very same issue this past April. One of the outcomes of the hearing, which hearings by the Select Committee have also found, is a failure of the Federal and State government's to provide adequate drug abuse treatment for pregnant and post partum women and their infants. It is my hope that this legislation will begin to address this need.

Without passage the money will go back to the Department of Treasury. To put it bluntly, Mr. Speaker, treatment programs have a greater need for the money than does the Department of Treasury.

Mr. NIELSON of Utah. Mr. Speaker, I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the Senate bill, S. 2461, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "An act to amend the Public Health Service Act to revise and extend the program of grants for reducing the waiting period for receiving treatment services for drug abuse, and for other purposes".

A motion to reconsider was laid on the table.

MARY McLEOD BETHUNE NATIONAL HISTORIC SITE

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5084) to authorize the National Park Service to acquire and manage the Mary McLeod Bethune Council House National Historic Site, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5084

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

SECTION 1. PURPOSES.

The purposes of this Act are to—

(1) preserve and interpret the life and work of Mary McLeod Bethune;

(2) preserve and interpret the history, lives, and contributions of African-American women; and

(3) preserve and interpret the struggle for civil rights in the United States of America.

SEC. 2. ACQUISITION.

The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") may acquire, with the consent of the owner thereof, by donation or by purchase with donated or appropriated funds, the property designated under the Act of October 15, 1982 (Public Law 97-329; 96 Stat. 1615) as the Mary McLeod Bethune Council House National Historic Site, located at 1318 Vermont Avenue, N.W., Washington, D.C., together with such structures and improvements thereon and such personal property associated with the site as he deems appropriate for interpretation of the site.

SEC. 3. ADMINISTRATION.

(a) IN GENERAL.—Upon acquisition of the property described in section 2, the cooperative agreement referred to in section 3 of the Act of October 15, 1982 (Public Law 97-329; 96 Stat. 1615) shall cease to have any force and effect, and upon acquisition of such property, the Secretary shall administer the Mary McLeod Bethune Council House National Historic Site (hereinafter in this Act referred to as the "historic site") in accordance with this Act and in accordance with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461-467).

(b) COOPERATIVE AGREEMENT.—(1) The Secretary is authorized and directed to enter into a cooperative agreement with nonprofit organizations dedicated to preserving and interpreting the life and work of Mary McLeod Bethune and the history and contributions of African-American women—

(A) to provide to the public such programs, seminars, and lectures as are appropriate to interpret the life and work of Mary McLeod Bethune and the history and contributions of African-American women,

(B) to administer the archives currently located at the historic site, including providing reasonable access to the archives by scholars and other interested parties.

(2) The Secretary is authorized to provide space and administrative support for such nonprofit organization.

(c) MANAGEMENT AND DEVELOPMENT.—The historic site shall be operated and managed in accordance with a General Management Plan. The Advisory Commission appointed under section 4 shall fully participate with the Secretary in the development of the General Management Plan for the historic site. The Secretary and the Advisory Commission shall meet and consult on matters relating to the management and development of the historic site as often as necessary, but at least semiannually.

SEC. 4. ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established the Mary McLeod Bethune Council House National Historic Site Advisory Commission (hereinafter in this Act referred to as the "Commission"). The Commission shall carry out the functions specified in section 3(c) of this Act.

(b) MEMBERSHIP.—The Commission shall be composed of 15 members appointed by the Secretary as follows:

(1) 3 members appointed for terms of 4 years from recommendations submitted by the National Council of Negro Women, Inc.

(2) 2 members appointed for terms of 4 years who represent other national organizations in which Mary McLeod Bethune played a leadership role.

(3) 2 members appointed for terms of 4 years from recommendations submitted by the Bethune Museum and Archives, Inc.

(4) 2 members appointed for terms of 4 years who shall have professional expertise in the history of African-American women.

(5) 2 members appointed for terms of 4 years who shall have professional expertise in archival management.

(6) 3 members appointed for terms of 4 years who represent the general public.

(7) 1 member appointed for a term of 4 years who shall have professional expertise in historic preservation.

Any member of the Commission appointed for a definite term may serve after the expiration of his or her term until his or her successor is appointed. A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(c) COMPENSATION.—Members of the Commission shall serve without compensation except that the Secretary is authorized to pay such expenses as are reasonably incurred by the members in carrying out their responsibilities under this Act.

(d) OFFICERS.—The Chair and other officers of the Commission shall be elected by a majority of the members of the Commission to serve for terms established by the Commission.

(e) BYLAWS, RULES, AND REGULATIONS.—The Commission shall make such bylaws, rules, and regulations as it considers necessary to carry out its functions under this Act. The provisions of section 14(b) of the Federal Advisory Committee Act (Act of October 6, 1972; 86 Stat. 776) are hereby waived with respect to this Commission.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 5084, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5084, the bill introduced by our good friend and colleague on the subcommittee, Congressman JOHN LEWIS, establishes the Mary

McLeod Bethune Council House National Historic Site as a full-fledged unit of the National Park System. Mary McLeod Bethune stands as one of the great African-American women of this century. Her varied accomplishment as an educator, organizer, and political activist are impressive.

I want to acknowledge the efforts of the National Council of Negro Women and the Bethune Museum and Archives, Inc., for their staunch protection of the Bethune Council House and Archives. Without their stewardship her legacy would not be here today. Given their longstanding affiliation with this site and their specialized knowledge of its archives, I believe it appropriate that the National Park Service be authorized and directed to enter into a cooperative agreement to administer the archives and to continue to put on the special programs of lectures, concerts, and seminars. Given the National Park Service's decades of experience in the preservation and interpretation of historic sites, it is appropriate that the National Park Service manage the site and those activities. The National Park Service must also ensure that the council house is restored to its period of significance, and that visitors will be able to understand how this building functioned as the center for political organizing.

The committee adopted an amendment that makes several technical changes to the bill and that follows a recommendation made in the hearing to add two archivists and another representative of the public to the advisory commission.

Mr. Speaker, I believe that Mary McLeod Bethune Council House National Historic Site will be an appropriate and worthy addition to the National Park System. I endorse this legislation and look forward to its passage.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5084, a bill to designate the Mary McLeod Bethune National Historic Site as a unit of the Natinal Park System. This is an important measure which will provide appropriate recognition of Ms. Bethune by designating this site as a full unit of the National Park System.

The Bethune Council House was in the unique position of being designated as a national historic site, but not a unit of the National Park System for the last 8 years. That arrangement has complicated management and public enjoyment of the site and I am pleased that my colleague, Mr. LEWIS, has introduced this bill to address those concerns.

I would also like to recognize the efforts of the chairman on this measure; as I know that he has been trying to work closely with the administration on this measure for some time. The careful thought he has put into this bill has helped to ensure that the final product will be workable.

I urge my colleagues to join me in supporting this measure.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to commend the gentleman from Georgia [Mr. LEWIS] for his work, the extraordinary work that he has done in bringing the groups together, providing the confidence, that they needed with regard to the work of the Park Service and the management of this resource.

As I said, it is something that people in the community here in Washington, DC, have long cherished as an important resources, reflective of their African-American heritage. The gentleman from Georgia [Mr. LEWIS] obviously shares that view, but also I think understands that with the agreements and understandings in this bill that indeed this resource and those values will be represented in the way that the Park Service manages the resources. The gentleman has done an extraordinary job.

This is a bill that for over 20 years has been in the making, with various types of treatment of the affiliated site, all of which I think have turned out not to accomplish what is desired by those who acted on such policy. This bill, however, I think will mean that we will finally take the steps and achieve what is necessary to provide the type of recognition and the predictability and certainty with regard to the future concerning this site.

Mr. STOKES, Mr. Chairman, I rise in support of H.R. 5084, which would authorize the National Park Service to acquire and manage the Mary McLeod Bethune Council House National Historic Site. This site, located here in our Nation's Capital, is the only institution devoted solely to the documentation of the history of African American women. This collection rightly deserves to be in the public domain.

Mary McLeod was born in Mayesville, SC, in 1875, 1 of 17 children born to former slaves. She went on to become one of the most remarkable women of the 20th century.

Despite having few material advantages, Mary McLeod secured a higher education. She at first attended a small black mission school near Mayesville and then won a scholarship to attend Scotia Seminary in Concord, NC. She later studied at the Bible Institute for Home and Foreign Missions, where she attempted to pursue missionary work in Africa. However, she was turned away from this vocation by the Presbyterian Mission Board because they had no openings in Africa for a black missionary.

Instead, Mary McLeod turned to teaching. She taught in both Georgia and South Carolina before settling in Daytona Beach, FL. In 1904 Mrs. Bethune founded the Daytona Normal and Industrial Institute. She undertook this effort with total capital of only $1.50. She made and sold sweet potato pies and ice cream to raise money for her school. Her students, who had few educational opportunities to which they could avail themselves, were willing to use crates for desks, charcoal for pencils, and mashed elderberries for ink. We now know this school as Bethune-Cookman College, an outstanding institution in Florida.

In addition to her accomplishments in the field of education, Mary McLeod Bethune also made her mark in civil rights. In December 1935, Mrs. Bethune founded the National Council of Negro Women, which was the union of the major national black women's associations. This renowned organization, which is still in existence, sought to combat segregation and discrimination, particularly as they affected black women. She served as its president until 1949. Under her tenure, the organization established chapters in our major cities, and headquarters in our Nation's Capital. Her achievements include representing the council at the founding conference of the United Nations in 1945.

Mr. Speaker, Mary McLeod Bethune also served as president of the National Association of Teachers in Colored Schools, as vice president of the Commission on Interracial Cooperation, and as president of the Association for the study of Negro Life and History. Her prominence gave her access to the White House during the Coolidge, Hoover, and Roosevelt administrations. Through Eleanor Roosevelt's influence, Mrs. Bethune was appointed to the National Youth Administration in 1935 and became director of its Negro Division the following year. She also organized the Federal Council on Negro Affairs—the so-called Black Cabinet which advised President Roosevelt during the New Deal. The Black Cabinet was responsible for the elimination of segregation in government cafeterias, and in the Armed Forces.

Mrs. Bethune died in 1955. Our Nation owes the great lady a tremendous debt. She was one of the most prominent black women in our history. She recognized the importance of preserving historical records of the contributions that black women have made to the United States. The Mary McLeod Bethune Museum and Archives opened its doors to the public in 1979. The museum has been operating as an independent nonprofit organization fulfilling Mrs. Bethune's dream of preserving and documenting the history of African American women, the only institution of its kind. Bringing the museum under the auspices of the National Park Service will further the mission of the museum and pay honor to the memory of Mary MacLeod Bethune. I am proud to support this important measure, and I urge my colleagues to join in this effort.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 5084, as amended.

The question was taken; and (two-thirds having voted in favor thereof)

the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1300

ROUTE 66 STUDY ACT OF 1990

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3493) to authorize a study on methods to commemorate the nationally significant highway known as Route 66, and for other purposes as amended.

The Clerk read as follows:

H.R. 3493

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 "Route 66 Study Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) United States Route 66, the 2,000 mile highway from Chicago, Illinois, to Santa Monica, California, played a significant role in the 20th-century history of our Nation, including the westward migration from the Dust Bowl and the increase in tourist travel;

(2) Route 66, an early example of the 1926 National Highway System program, transverses the States of Illinois, Missouri, Kansas, Oklahoma, Texas, New Mexico, Arizona, and California;

(3) Route 66 has become a symbol of the American people's heritage of travel and their legacy of seeking a better life and has been enshrined in American popular culture;

(4) although the remnants of Route 66 are disappearing, many structures, features, and artifacts of Route 66 remain; and

(5) given the interest by organized groups and State governments in the preservation of features associated with Route 66, the route's history, and its role in American popular culture, a coordinated evaluation of preservation options should be undertaken.

SEC. 3. STUDY AND REPORT BY THE NATIONAL PARK SERVICE.

(a) STUDY.—(1) The Secretary of the Interior, acting through the Director of the National Park Service and in cooperation with the respective States, shall coordinate a comprehensive study of the United States Route 66. Such study shall include an evaluation of the significance of Route 66 in American history, options for preservation and use of remaining segments of Route 66, and options for the preservation and interpretation of significant features associated with the highway. The study shall consider private sector preservation alternatives.

(2) The study shall include participation by representatives from each of the States traversed by Route 66, the State historic preservation offices, representatives of associations interested in the preservation of Route 66 and its features, and persons knowledgeable in American history, historic preservation, and popular culture.

(b) REPORT.—Not later than two years from the date that funds are made available for the study referred to in subsection (a), the Secretary shall transmit such study to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives.

(c) LIMITATION.—Nothing in this Act shall be construed to authorize the National Park Service to assume responsibility for the maintenance of United States Route 66.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be approximately $200,000 to carry out the provisions of this Act.

The SPEAKER pro tempore. (Mr. MAZZOLI). Is a second demanded?

Mr. LAGOSMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3493, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3493, introduced by our colleague WES WATKINS directs the National Park Service to study the historic Route 66 in order to evaluate its significance and the alternatives for its preservation. Route 66, long remembered in song and television, was one of the earliest interstates linking East and West. This study seeks to find ways to preserve the road segments that remain. In so doing, it will help us better understand this aspect of 20th century history.

The committee adopted an amendment in the nature of a substitute that modifies some of the bill's findings, directs the National Park Service to coordinate the study of Route 66, and adds the participation in the study of the State historic preservation officers and other knowledgeable people because they offer particular expertise. It also places a limitation on the National Park Service to assume responsibility for the maintenance of U.S. Route 66 and authorizes appropriations of $200,000. These changes refine the bill and are supported by all. Mr. Speaker, I endorse this bill and urge its passage.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of H.R. 3493 which would authorize the National Park Service to conduct a comprehensive study of historic Route 66.

I would like to point out that this legislation has been improved in two important respects since it was originally introduced.

First, the bill before us today prohibits the National Park Service from assuming maintenance responsibility for Route 66. Although the sponsor never intended for Park Service to be involved in maintenance of this highway, the legislation needed to be crystal clear on this point.

Second, the original legislation authorized "such sums as may be necessary" to conduct this study. Chairman VENTO wisely took out this provision and replaced it with a firm figure of $200,000.

Mr. Speaker, this bill has been greatly improved by the subcommittee and full committee and I urge my colleagues to support it.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma [Mr. WATKINS], the sponsor of the House measure.

Mr. WATKINS. Mr. Speaker, I want to first thank Chairman UDALL for his assistance with this piece of legislation. I also want to thank the subcommittee chairman and my friend, Mr. VENTO, for his support and leadership with this bill, and to Mr. MARLENEE for his support. I also extend my gratitude to the committee staff for their diligent and supportive help with this bill, the Route 66 Study Act. I wish to also thank my staff, Miss Leslie Belcher for all her great help with the legislation. Without all of this support I would not be here today to talk about a bill that is very special to me and the future tourism potential of a great historical highway.

Mr. Speaker, H.R. 3493 has found a broad base of support in both the House and the Senate. The bill authorizes a study on methods to commemorate the nationally significant highway known as "American's Main Street," Route 66. The modern expression is "Route 66-America's Mother Road" which is the title of a book written by Mike Wallace. Route 66 was designated in 1926, and when completed in 1938, the road was the first paved highway across the Western United States. For 50 years the 2,488-mile road trekked across the landscape of America from Chicago, IL to Santa Monica, CA. In Oklahoma, Route 66 begins near Commerce, in the northeast corner of the State and continues for 396 miles exiting into Texas.

I introduced this legislation last fall for two reasons. First, Route 66 was a glorious new beginning for the Nation and especially for the Midwest and Southwest because, for the first time, there was a major transportation

artery in the country. Route 66 represented new hope, new beginnings. It marked a point of transition for Americans, a moment in time suspended between the wagon train and the jumbo jet. The moment of time when the Nation's pulse speeded up and time came to be measured not by weeks but by odometer. Distant places became reachable and real. Route 66 was America's highway.

As it did with many Americans, Route 66 made an impact on my life. During the Great Depression of the 1930's and early 1940's, families were driven by desperation to flee the midwestern and southwestern States to find work in California. Route 66 was the road taken by the Okies and Arkies laying the history for the "Grapes of Wrath." As a matter of fact, it was the only major East-West road in those days. Route 66 came to represent the largest movement of people in the United States from the depressed States to California.

With hope and a dream of prosperity my family made the trip three times on this route to and from California in the 1940's in search of jobs and a better way of life. The trips on Route 66 in pursuit of a better way of life is part of my motivation of why I came to the U.S. Congess and to public service. While offering hope to many, Route 66 also became a "Modern-day trail of tears." It was a time of leaving family and friends, many of which would never be reunited again.

The second reason I introduced this bill last year to preserve the memory of Route 66 with the hope that the children and grandchildren of future generations would never have to be forced to take such a road in search of employment.

It took five interstates to replace the historical highway. And, it wasn't until 1984 that the last part of Route 66 was bypassed. Most of the road is still in existence, curving through hundreds of small towns and spanning eight States. Each of the States still has long stretches of the road that can be driven.

Along the Oklahoma stretch, one can see the world's largest totem pole at Foyil, a comboy's view from Persimmon Hill in Oklahoma City, the round barn in Arcadia, and a classic railroad depot in Bristow.

Before the road was completely bypassed, Route 66 spawned a television series by the same name. It inspired John Steinbeck's "The Grapes of Wrath." In the 1930's, folksingers Woody Guthrie and Pete Seeger hitchhiked from New York to Oklahoma together and wrote a song about Route 66, "66 Highway Blues," a still unrecorded testimony to the Depression years. A few years after Guthrie and Seeger traveled Route 66, songwriter Bobby Troup wrote, "I get My Kicks on Route 66."

Today, this legendary highway and associated landmarks have almost disappeared. The familiar shield-shaped highway markers have been pulled down by State highway departments. This legislation will study the methods to preserve the last remaining trademarks of Route 66 for future generations.

My bill is simple. It calls for the National Park Service to undertake a comprehensive study and evaluation of Route 66, including preservation and revenue-generating tourism options associated with the highway. Upon conclusion of the study, the agency would then recommend methods to maintain what remains of the highway and the facilities associated with it. Preservation of Route 66 has tremendous financial potential for Oklahoma and the other States adjoining this historic route.

The study group would consist of delegates from each of the eight states along Route 66—Illinois, Missouri, Kansas, Oklahoma, Texas, New Mexico, Arizona, and California. The companion of this bill, S. 963, has already passed the Senate.

Mr. Speaker, John Steinbeck wrote in 1939 that Route 66 "is the path of people in flight." It remains to be a symbol of American heritage, a heritage of seeking a better way of life. It is legendary of an America almost, but not yet, forgotten. Whether Route 66 represents to you or your loved ones hope, change or prosperity, it is deserving of recognition and preservation.

Thus, in closing, I urge my colleagues to support this legislation to help preserve a living, historical monument of our Nation.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the sponsor of this measure and others who have worked on this. It is a good bill. It deserves our support.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3493, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

AUTHORIZING A STUDY OF NATIONALLY SIGNIFICANT PLACES IN AMERICAN LABOR HISTORY

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2949) to authorize a study of nationally significant places in American labor history, as amended.

The Clerk read as follows:

H.R. 2949

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

SECTION 1. THEME STUDY.

Within 3 years after enactment of this Act, the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") shall prepare and transmit to the Congress a National Historic Landmark Theme Study of American Labor History (hereafter in this Act referred to as the "Theme Study"). The Theme Study shall be prepared in consultation with the Secretary of Labor and pursuant to the guidelines prepared under section 2. The purpose of the Theme Study shall be to identify the key sites in American labor history, including the history of workers and their work, of organizing, unions and strikes, of the impacts of industrial and technological change, and of the contributions of American labor to American history. The Theme Study shall identify, evaluate, and nominate as national historic landmarks those districts, sites, buildings, and structures that best illustrate or commemorate American labor history in its fullest variety. On the basis of the Theme Study, the Secretary shall identify possible new park units appropriate to this theme and prepare a list in order of importance or merit of the most appropriate sites. The list shall include a discussion of the feasibility and suitability of such sites.

SEC. 2. CONSULTATION.

The Secretary shall consult with workers, workers' representatives, scholars of labor history, and historic preservationists for technical assistance and for the preparation of guidelines for the Theme Study.

SEC. 3. COOPERATIVE AGREEMENTS.

The Secretary of the Interior shall enter into cooperative agreements with one or more major scholarly and public historic organizations knowledgeable of American labor history to prepare the Theme Study and ensure that the Theme Study meets scholarly standards.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated $250,000 to carry out this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2949, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Nation was literally built by thousands of men and women who labored long and hard in our fields, forests, and factories.

Today we have an opportunity to honor those workers and help preserve key evidence of their efforts, Today, we can pass this measure, H.R. 2949, a bill introduced by our colleagues, the gentleman from New York [Mr. MCNULTY], that directs the Secretary of the Interior to prepare a national landmark theme study in labor history.

National historic landmarks are historic properties recognized as nationally significant after a professional, comprehensive survey of historic sites throughout the Nation.

In recent years, theme studies of the U.S. Constitution and man in space have been completed. These studies provide critical information on the historic resources that are truly important for us to save. They help us choose which sites to preserve.

According to the National Park Service, only 12 of the 1,900 national historic landmarks commemorate labor history, showing the need for a study comprehensive in its scope and reflecting current scholarship. Both the history of organized labor and the history of the American work force should be examined and documented as well as the larger social economic and technological context of labor history. This study will help us better understand the struggles and the contributions of working men and women in our Nation, those who were union members and those who were not.

□ 1310

I will be interested in learning more about Minnesota's labor history. I know, for example, the gentleman from New York [Mr. MCNULTY], will be interested in his own State's history, and of course our colleague, the gentleman from West Virginia [Mr. RAHALL], will be interested in West Virginia's history. I think each Member of this Chamber representing various States is going to find and gain interesting information, useful information concerning the history of labor and working men and women in their area.

The committee adopted amendments that made several changes to the bill, including extending the time for the study to 3 years, and deleting the advisory board which had been a point of controversy. Instead the bill now directs the Secretary of the Interior to consult workers and workers' representatives and scholars of labor history and history preservationists. It increases the authorization and directs the Secretary to prepare a list of the most appropriate sites in order of importance or merit for possible new park units.

These changes reflect our negotiations with the gentleman from Alaska [Mr. YOUNG], who is the ranking minority member of the committee, and Secretary Lujan, who has taken an active interest in this particular issue. I think most of the Members are aware that the Secretary has directed, for instance, and is seeking a comprehensive study of civil war history, and is intending to appoint or create a commission to actually accomplish that purpose. So the Secretary is well aware of the cultural and historic importance, and the fact that a number of these studies are necessary in order for action in the future by the Congress in designating such sites.

I have a letter from the Secretary indicating his support for the bill, and I am pleased to see the Secretary engaged in a bipartisan effort to study this important aspect of American history. I also have, of course, received a statement from the Office of Management and Budget, a statement from the administration saying that they support this bill. I want to thank, of course, the Secretary for his work, and I want to thank, of course, the gentleman from Alaska [Mr. YOUNG], the ranking Republican on the Interior and Insular Affairs Committee, for his support. Of course I want to commend my colleague, the gentleman from New York [Mr. MCNULTY], who has championed this idea. He came in with a bill that was different in scope and purpose, but worked I think well with the committee, and with the staff to accomplish the purposes in the bill that we see before us.

Mr. Speaker, I endorse this legislation. I strongly recommend its passage to the House and to the Members.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, as amended, H.R. 2949 addresses many of the concerns of the administration. The bill continues to require a theme study on American labor history to be conducted in consultation with the Secretary of Labor. In addition, further consultation is required with workers, workers' representatives, scholars, and historic preservationists in the completion of the study. Cooperative agreements are also required in furtherance of the study.

The requirement of the establishment of an Advisory Board had caused concern in the Committee on Interior and Insular Affairs due to difference over the proportional representations of labor organizations on the Board. The requirement of the Board has been deleted although the requirement for consultation with workers and workers representatives remain. The amended version also makes it clear that this study is not designed to lead directly to the establishment of additional National Park System units.

With these amendments included in the bill brought before the House today, I have received notice from the administration that it supports this legislation.

Mr. Speaker, the history of the development of American labor is an important element in our history. Workers have shaped and built our country from its inception through the dawn of the industrial revolution and throughout the vast changes wrought by the two world wars. In recent years, American workers have helped reshape our economy and strengthen our products and industry against foreign competition.

Mr. VENTO. Mr. Speaker, I yield such time as he might consume to the gentleman from New York [Mr. MCNULTY], the principal sponsor of this measure.

Mr. MCNULTY. Mr. Speaker, I thank the distinguished chairman of the National Parks and Public Lands Subcommittee for yielding time to me.

Mr. Speaker, I rise today to encourage my colleagues to support H.R. 2949, a bill authorizing a study of nationally significant places in American labor history.

Chairman VENTO and I first introduced this legislation to highlight the contributions made to American society and culture by the American worker and the American labor movement.

The contribution the American worker has made to the industrial, economic, and military strength of the United States is enormous. American labor has been the model upon which many other nations and cultures have based their industrial and economic practices. We owe it to those early workers to preserve the knowledge gained from their experiences, for the benefit of future generations.

We are seeing today that many of the nations of Eastern Europe are adapting their economies to reflect the United States model for labor/management relations.

Many of the benefits in the workplace which Americans have come to take for granted are a direct result of organized labor's efforts. The 8-hour workday, employee pensions, sick leave, and health insurance are a direct result of collective bargaining

and negotiation between management and organized labor.

Within the boundaries of my own congressional district—in the capital district of New York State—numerous innovations and events took place impacting directly on North American economic and social development. This is emphasized by the existence of Riverspark, New York State's first urban cultural park. Riverspark is a series of sites containing tremendous social and historical significance highlighting the impact the American worker has had on the development of the capital district and on the Nation as a whole.

Often called the cradle of the American Industrial Revolution, the Troy area in upstate New York once rivaled Pittsburgh in the production of steel. Eventually, the city of Troy achieved its nickname, the Collar City, from the fact that most of the mills producing detachable collars for men's shirts were located there.

Cohoes, NY, located a few miles away at the confluence of the Hudson and Mohawk Rivers, was known as a leading producer of textiles.

Schenectady, NY, the site of the Charles Steinmetz Laboratories for the General Electric Co. and the factories manufacturing the giant steam turbine generators used in the production of electric power, became known as the electric city.

Today, contributions are still being made to our industrial and economic strength by workers and management in these communities and communities just like them all across the country.

A great deal of effort has gone into the formulation of this bill. With the able assistance of Mr. Paul Cole, the secretary-treasurer of the New York State AFL-CIO, we were able to identify not only that there are a large number of potential sites to be examined, but also that there exists a large pool of qualified individuals whose expertise will guarantee a successful study. In recognition of his assistance, it is my hope that Secretary Lujan will take advantage of Paul's interest and experience by consulting with him during the course of the study.

Through the efforts of Chairman VENTO and his very able staff, Interior Secretary Lujan, the National Park Service, Representative DON YOUNG, and Chairman UDALL, we now have a bill that has the support of the Interior Department and which gives the Members of this body an opportunity to recognize American workers and the contributions they have made to our quality of life.

Mr. Speaker, I encourage my colleagues to support H.R. 2949.

Mr. LAGOMARSINO. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, in the interest of strengthening America's understanding of the history of our workers, I rise in strong support of H.R. 2949. Given the fact that the National Park Service provides a valuable service in reviewing significant aspects of our Nation's history, the heritage of our workers deserves to be so recognized and preserved for future generations.

The work ethic in America is unquestionably one of our Nation's greatest assets. Men and women have built this Nation and provided food, products, and services for the entire world for over two centuries. However, our workers, union and nonunion alike, have had to struggle for basic freedoms. We cannot neglect the fact that they have often suffered in the workplace. While America's workers have toiled for centuries in order to meet the needs of their families and our Nation, their labors were not always properly rewarded and, the needs of their families were not always met. While our children often hear of the triumph of the American workers, the pain and despair that often accompanies such advancements is all too often overlooked.

Today, we have an opportunity to provide a modest appropriation for legislation which will help us revisit our heritage of work. An understanding of the struggles and triumphs of America's workers is not trivial, it is the story of how Americans have lived, worked, and even perished to develop today's workplace. By virtue of tremendous perseverance, America's workers and our free enterprise system have become the standard upon which the world judges what is fair, what is just, and what is most productive.

Congressmen MCNULTY and VENTO have worked with Secretary Lujan to present for our consideration a bill that is supported by the administration and deserves the support of this entire body. Let us not diminish the value of work in America as it relates to our Nation's evolution. I urge my colleagues to join me in supporting this important legislation.

Mr. RAHALL. Mr. Speaker, I want to commend the gentleman from Minnesota for bringing this legislation before the House.

From the perspective of this gentleman from West Virginia, the history of American labor has left a great mark on the people of my congressional district. In fact, our very culture was shaped to a large degree by the epic struggles and adversities faced by the men and woman who worked in the coal mines during the early part of this century, and their efforts toward unionization.

The labor disturbances of that era between the United Mine Workers of America and the coal industry—at place with names like Paint Creek, Cabin Creek, the Matewan Massacre in 1920, and the battle at Blair Mountain the following year when the President of the United States sent troops in to a quell miners' revolt—are of national significance.

For it was at these places that the line in the sand was drawn. Where the demand that human dignity, and decency, be recognized in the workplace could no longer be ignored.

It is, as such, of the utmost importance to future generations that the physical vestiges of that era not be lost.

So I would say to the gentleman from Minnesota, that it is my hope that when this "National Historic Landmark Theme Study on American Labor" is conducted, consideration be given to the United Mine Workers of America.

This is, after all, the union which was the pioneer advocate of the passage of such significant legislation as the prohibition of child labor, the 8-hour work day, workers' compensation, and the right to organize and bargain collectively.

In short, there is a pressing need to conduct a "National Historic Landmark Study on American Labor History" as envisioned by this legislation. No society can expect to remain viable if it has lost its identity, its links with the past, its knowledge of its culture and history. Such a society is aimless. Its people are orphaned, and doomed to wander insecurely through life. We owe it not only to the present generation, but generations to come, to insure this does not happen.

This bill, H.R. 2949, recognizes the contribution of American labor to our society. A contribution, it must be noted, that cannot be measured merely by the number of men and women who are union members or by the percentage of organized workers to the overall employment picture. This is, indeed, a timely piece of legislation and deserves to be enacted.

Mr. LAGOMARSINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2949, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REGARDING ACQUISITION OF LAND FOR INCLUSION IN KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1230) to authorize the acquisition of additional lands for inclusion in the Knife River Indian Villages National Historic Site, and for other purposes, as amended.

39-059 O-91-29 (Pt. 14)

The Clerk read as follows:

S. 1230

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

SECTION 1. ACQUISITION OF ADDITIONAL LANDS.

(a) The Secretary of the Interior is authorized to acquire by purchase with donated or appropriated funds, donation, or exchange the lands comprising approximately 465 acres and described in subsection (b) as an addition to the Knife River Indian Villages National Historic Site, North Dakota: *Provided,* That no such lands may be acquired without the consent of the owner thereof unless the Secretary determines that, in his judgment, the property is subject to, or threatened with, uses which are having, or would have, an adverse impact on the archeological, historical, or other values for which the site was established.

(b) The lands referred to in subsection (a) are those lands depicted on the map entitled "Proposed Boundary Knife River Indian Villages National Historic Site" numbered 468-80,039A and dated July 1990.

SEC. 2. ADDITIONAL AUTHORIZATIONS.

Section 104(c) of Public Law 93-486 (88 Stat. 1462) is amended by striking "$600,000" and inserting in lieu thereof "$1,000,000" and by striking "$2,268,000" and inserting in lieu thereof "$4,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1230, the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1230 provides for the addition of 465 acres of land to the existing Knife River Indian Villages National Historic Site located near Stanton, ND. The historic site is a 1,300-acre site at the confluence of the Knife and Missouri Rivers that was established in 1974 for the purpose of preserving historic and archeological remnants of the culture and lifestyle of the plains Indians. The purpose of this bill is to incorporate additional cultural resources into the national historic site that have been identified since the area was established and to ensure the continued integrity of the site. At the hearing the administration supported the bill with a recommended change regarding the method for acquisition of the property. The State Historical Society and the Tribal Business Council of the three affiliated tribes of the Fort Berthold Reservation have also supported the bill.

In its deliberations the committee adopted an amendment that provides for acquisition of the additional land on a willing seller basis unless a determination is made by the Secretary of the Interior that an action damaging to the values for which the property is being acquired is occurring or is threatened.

I want to thank and acknowledge the efforts of Congressman DORGAN who submitted a companion measure to the one before us and who has been a great help to us in moving this bill. His actions have been instrumental in bringing us to this point.

Mr. Speaker, I believe that the addition of this land and its associated resources as authorized in this bill are consistent with the reasons for which the national historic site was originally established. I look forward to enactment of this legislation.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1230, a bill to provide for the expansion of Knife River Indian Village National Historic Site. This measure would add approximately 465 acres to an existing unit of the national park system in North Dakota.

The purpose for the addition of these lands, as pointed out by the gentleman from Minnesota, is to incorporate within the park boundary archeological resources which have been discovered since creation of the park in 1974.

While acquisition of these lands is not the top priority of the administration, it is supported by the administration, and expansion of the park boundary to include these lands will provide the opportunity for their ultimate protection. I commend the chairman for his work on this bill and feel that efforts by all concerned reflect the type of objective boundary modification process which would be provided for under the boundary study bill proposed by the subcommittee chairman.

I urge my colleagues to join me in supporting this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota (Mr. VENTO) that the House suspend the rules and pass the Senate bill, S. 1230, as amended.

The question was taken.

Mr. DOUGLAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PEMIGEWASSET RIVER STUDY ACT OF 1989

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1524) to amend the Wild and Scenic Rivers Act of 1968 by the designating segments of the Pemigewasset River in the State of New Hampshire for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes.

The Clerk read as follows:

S. 1524

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 "Pemigewasset River Study Act of 1989".

SEC. 2. STUDY RIVER DESIGNATION.

Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) as amended, is further amended by adding the following new paragraph at the end thereof:

"(107) PEMIGEWASSET, NEW HAMPSHIRE.—The segments from Profile Lake downstream to the southern boundary of the Franconia Notch State Park and from the northern Thornton town-line downstream to the backwater of the Ayers Island Dam; by the Secretary of the Interior.".

SEC. 3. STUDY AND REPORT.

Section 5(b) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(b)), as amended, is further amended by adding the following new paragraph:

"(9) The study of the Pemigewasset River, New Hampshire, shall be completed and the report thereon submitted not later than three years after the date of enactment of this paragraph.".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1524 the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1524, which has already passed the Senate, would provide for a study of two segments of the Pemigewasset River, in New Hampshire, for possible addition to the Wild and Scenic River System. The part of the river to be studied extends from its origin north of Profile Lake to the southern boundary of Franconia Notch State Park, and then from the northern Thornton town line downstream to the backwaters of the Ayers Island Dam.

Mr. Speaker, the Pemigewasset River, often known as the "Pemi," is one of New Hampshire's most well-known rivers. Originating just north of Profile Lake, the northern-most segment flows through Franconia Notch State Park. The National Park Service included this river segment in its nationwide rivers inventory list of outstanding rivers published in January 1982. In its description, the Park Service noted that this stretch contains some of the State's most spectacular landmarks and scenery including New Hampshire's famed granite outcropping, the Old Man of the Mountains.

The bill before us would also provide for a study of the river segment flowing from Thornton to New Hampton, which has been the focus of an aggressive local effort to clean up and protect the river. Our hearing demonstrated that there is strong support among area residents, landowners, and river users for a study of the Pemigewasset River, in part because of concerns related to proposals for licensing a dam in the town of Campton.

Along the free-flowing Pemigewasset there are many resources of tremendous environmental significance. Wildlife, including river otter, mink, beaver, and muskrat, rely on the natural Whitewater River for most or all of their habitat. White-tailed deer, moose, raccoon, and fox roam its banks. Many species of birds use the river for nesting and feeding, and fish are in abundant supply.

In addition, Mr. Speaker, this New England river has several points of exceptional historical significance. It served such early colonists as Daniel Webster and Matthew Thornton, as well as some famous native Americans, and its banks have also been frequented by the poet Robert Frost and the Nobel recipient George Whipple.

Mr. Speaker, at our hearing the administration testified in support of this bill, and the Interior Committee approved it without amendment. I urge its approval by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1524, a bill to designate two segments, totaling about 36 miles, of the Pemigewasset River for study under the Wild and Scenic River Act. The House companion to this bill was introduced by my good friend and colleague from New Hampshire, Mr. DOUGLAS.

This is a good measure, culminating a major cleanup campaign which took place along this river in the 1960's and 1970's. The local towns along the length of this river have already initiated river protection initiatives, but are now seeking the added protection of Federal designation which precludes federally sanctioned dams or other water projects with the potential to significantly alter important natural values.

I would especially like to note that the river segment through the towns of Lincoln and Woodstock has been deleted from this study based on their strong opposition to inclusion. I extend my appreciation to the subcommittee chairman for his reasonable response to the concerns of the local persons who would be directly affected by this proposal.

This measure is supported by the administration, and I urge my colleagues to join me in support of this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from New Hampshire [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, in 1967, the Pemigewasset River of northern New Hampshire was so polluted that a terrible odor forced people to avoid its banks. Well, today after a long struggle to rid the river of offensive effluent, the Pemi has finally returned to a state similar to that which Daniel Webster saw and described in 1846. To Webster, New Hampshire's Pemigewasset River "rises in the white hills, pours down their southern slopes and declivities, dashing over many cascades, and collecting the tributes of various small rivers and brooks in its course. It is the ideal of a mountain stream: cold, noisy, winding, and with banks of much picturesque beauty." I think Mr. Webster's description would fit today. In fact, the president of the Pemigewasset River Council, Patricia Powers Schlesinger, finds "unimagined wildlife habitat and bountiful plant life * * * only some hours journey from half the population of America."

The Pemigewasset River was named by the Abenaki Indian tribes that once lived in the Pemi River valley. In their language Pemigewasset means rapid or swift current. They used this river as a highway to travel the Pemi watershed which encompasses over 1,500 square miles with its 20 tributaries.

The local support for the 3-year study of this river is strong. Former Congressman Judd Gregg, who is now Governor of New Hampshire, initiated this proposal while in Congress. This bill was passed by the Senate on November 20, 1989 and has the full support of my State's two Senators. The towns along the river segments joined together because of their concern for the river. The American Rivers, Inc., the New Hampshire Rivers Campaign, and the Sierra Club testified in favor of S. 1524.

Congress now has the opportunity to allow a detailed study of two segments of this river, consisting of about 36 river miles, which could lead to possible inclusion into the National Wild and Scenic Rivers System.

Finally, I want to thank the members of the Interior Committee for their support of this legislation. I can speak for many throughout the State of New Hampshire who are grateful for their efforts on behalf of river protection.

This bill was introduced into the House as H.R. 3104 by me and my colleague, BOB SMITH. I urge passage of it to protect our environment.

□ 1330

LAGOMARSINO. Mr. Speaker, I have no further request for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the Houe suspend the rules and pass the Senate bill, S. 1524.

The question was taken.

Mr. GUNDERSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

MERRIMACK RIVER STUDY ACT OF 1990

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1046) to amend the Wild and Scenic Rivers Act of 1968 by designating a segment of the Merrimack River in the State of New Hampshire for study for potential addition to the Na-

tional Wild and Scenic Rivers System, and for other purposes.

The Clerk read as follows:

S. 1046

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Merrimack River Study Act of 1990".

SEC. 2. STUDY RIVER DESIGNATION.

Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)), as amended, is further amended by adding the following new paragraph:

"(106) MERRIMACK RIVER, NEW HAMPSHIRE.—The segment from its origin at the confluence of the Pemigewasset and Winnipesaukee Rivers in Franklin, New Hampshire, to the backwater impoundment at Hooksett Dam, excluding the Garvins Falls Dam and its impoundment.".

SEC. 3. STUDY AND REPORT.

Section 5(b) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(b)), as amended, is further amended by adding the following new paragraph:

"(8) The study of the Merrimack River, New Hampshire, shall be completed and the report thereon submitted not later than 3 years after the date of enactment of this paragraph.".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necesary to carry out the purposes of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 1046, the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1046, which passed the Senate earlier this year, would provide for a study of a 22-mile segment of the Merrimack River, in New Hampshire, for possible addition to the Wild and Scenic River System. The river segment to be studied would begin at the confluence of the Pemigewasset and Winnepesaukee Rivers, in the town of Franklin, NH, and would extend downstream, excluding Garvins Falls Dam and its impoundment, to the backwater impoundment at Hooksett Dam.

In 1981, the Department of the Interior placed the Merrimack on the Nationwide Rivers Inventory, a list of rivers that may warrant protection under the National Wild and Scenic Rivers Act. In its description of the values of the river, the inventory stated that the Merrimack is "historically reported to be the most noted waterpower stream in the world, during the 19th century industrial era," providing power for the mills of cities such as Lowell and Manchester. The inventory also noted that the Merrimack has unique recreational qualities due to its proximity to significant population concentrations in Concord and Manchester.

The river also provides habitat for many animal species, including beavers, otters, muskrats, herons, kingfishers, and rainbow trout, and is wintering ground for the bald eagle. Further, the river provides critical habitat for the restoration of Atlantic salmon in the Merrimack River basin. For the past two decades, Federal and State agencies have been involved in a cooperative effort to restore anadromous fish in the basin, with approximately 200,000 salmon fry stocked annually in the river. Protection of the Merrimack is considered vital to ensure the success of that program.

Within the 35-mile stretch designated for study, there is one existing hydropower project on the river, the Garvins Falls Dam, near Concord, NH. S. 1046 would exclude the dam and its impoundment from the study.

At our hearing, the administration testified in support of the bill, and the Interior Committee approved it without amendment. I believe that this is a worthy bill, and I urge its approval by the House.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of S. 1046 a bill to designate 35 miles of the Merrimack River for study under the Wild and Scenic River Act. The House companion to this bill was introduced by my good friend and colleague from New Hampshire, Mr. SMITH.

This is a good measure which will provide for development of a program to protect a number of important river values which have been identified on the National Park Service's Nationwide River Inventory. This bill has received strong support from local communities and is supported by the administration.

I urge my colleagues to join me in supporting this bill.

Mr. Speaker, I yield 4 minutes to the gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. Mr. Speaker, I rise today in support of the Merrimack and Pemigewasset River study bills—measures I coauthorized to provide a much-needed basis for the long-term protection of two of New Hampshire's most endangered rivers. If enacted, both bills would require the U.S. Park Service to study whether the Merrimack and Pemigewasset Rivers merit special protection under the Federal Wild and Scenic Rivers Act.

The Merrimack River, which is one of the 10 largest in the Northeast, has a special history. This uniquely beautiful river originates in Franklin, NH, and flows gently southward into eastern Massachusetts to the Atlantic Ocean. For thousands of years before the colonists arrived in New England, native Americans settled its banks. In the 19th century, the Merrimack powered the mills of Manchester, NH, as well as Lawrence and Lowell, MA. Today, Atlantic salmon and bald eagles flock to the Merrimack's streambed and banks, making the river a favorite spot for New England recreationists and fishermen.

Similarly, along its stretch from the White Mountains into Bristol, NH, the free-flowing Pemigewasset contains many resources of tremendous environmental significance. Wildlife, including river otter, mink, beaver, and muskrat, rely on the natural, whitewater river for most or all of their habitat. Whitetailed deer, moose, raccoon, and foxes roam the banks of the Pemigewasset. Many species of birds use the river for nesting and feeding, and fish are in abundant supply.

Passage of the Merrimack River study bill and the Pemigewasset River study bill, which I introduced with my New Hampshire colleague, Mr. DOUGLAS, would put both rivers off-limits to hydrodevelopment while the Park Service conducts studies of each. The Pemigewasset River study bill would address two segments of the Pemigewasset, totaling 30 miles in length. One segment extends from Profile Lake in Franconia to the southern boundary of the Franconia Notch State Park. The other flows from the town of Thornton into New Hampton, NH. The Merrimack River study bill would address one 22-mile segment of the Merrimack. The segment covered by this bill extends from Franklin to Hooksett, NH. Under our legislation, the U.S. Park Service must complete a wild and scenic study of these segments no later than 3 years after the bills' enactment.

There is strong support among area residents, landowners, and river users in New Hampshire for both bills. Nine local communities have banded together to protect the two segments of the Pemigewasset addressed by our legislation. Six towns have already placed development restrictions along 30 miles of the river, and the other three towns are working on similar plans. Similarly, all seven towns along the 22-mile segment of the Merrimack addressed by our bill have called for its Federal protection.

Efforts to designate both the Merrimack and the Pemigewasset for Federal study also have broad support at the Federal and State levels. The entire New Hampshire congressional delegation and New Hampshire Governor Gregg have formally endorsed the ideas of Federal studies in writing. Sections of the Pemigewasset are already on the 1982 Park Service list of outstanding rivers. The National Park Service added a section of the Merrimack to the National Rivers Inventory in 1982, identifying it as a potential national wild and scenic river. American rivers, the Nation's principal river-saving organization once placed the Merrimack second on its list of the most endangered rivers in the United States. Moreover, the Senate passed identical versions of our two bills last winter.

In view of the growing need to protect our Nation's undeveloped river resources and the widespread support for a wild and scenic study of the Merrimack and Pemigewasset Rivers, I urge the support of my colleagues for this legislation.

I also want to extend special thanks to the gentleman from Minnesota [Mr. VENTO] and the gentleman from California [Mr. LAGOMARSINO] for their help in moving this legislation through the House.

Mr. LAGOMARSINO. Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Speaker, I am a cosponsor of the House version of S. 1046, which is H.R. 2432, to provide for a 3-year study of New Hampshire's Merrimack River for possible designation into the National Wild and Scenic Rivers System.

Part of the Merrimack River runs through my hometown, Concord, NH. Some concerns were raised by a few individuals who own property along the river in the capital city of Concord. Because their plans for that particular parcel of land include development, they are opposed to the river study. However, their concerns can now be put to rest with this letter from the National Park Service which I will submit for the RECORD. The National Park Service has addressed each issue and pointed out that the only type of development that will be affected by the river study would be "water resource development projects requiring Federal assistance that would adversely affect the river's free flowing condition or its outstandingly remarkable values. Any development not involving a water resources project would be unaffected by the study, and would remain under the jurisdiction of existing local and/or State regulations."

Hon. CHUCK DOUGLAS,
House of Representatives,
Washington, DC.

DEAR MR. DOUGLAS: Thank you for your recent correspondence regarding the proposed study of the upper Merrimack River under the Wild and Scenic Rivers Act. We appreciate the opportunity to respond to the concerns raised by a few of your constituents in the letter you forwarded from Robert J. Lloyd dated May 11, 1990. While we recognize the interests of Messrs. Cleveland, Bass and Tradif as landowners adjacent to the section of the Merrimack proposed for study, we do not concur with the conclusion drawn in the letter about the potential impacts of the study, nor do we recommend amending the study legislation as Mr. Lloyd proposes.

There are several issues raise by Mr. Lloyd that deserve further attention.

(1) *Nationwide Rivers Inventory "Draft Assessment of the Concord, New Hampshire Segment of the Merrimack River."* The earlier work of the National Park Service in evaluating the Merrimack from Goodwin Point to Garvins Falls Dam for possible addition to the *Nationwide Rivers Inventory* was a *preliminary review only* of that section of the river. The development point values to which Mr. Lloyd referred were developed administratively to produce the threshold criterion for the level of acceptable man-made changes to the natural environment for inventory purposes only. While adjacent development is an important factor, eligibility for wild and scenic river designation ultimately hinges on whether the river exists in a "free flowing condition" and whether there are any "outstandingly remarkable" resource values present. As specified in the "National Wild and Scenic Rivers System; Final Revised Guidelines for Eligibility, Classification and Management of River Areas" (*Federal Register,* September 7, 1982), rivers in urban areas may be considered eligible for wild and scenic river designation provided they are free flowing and possess outstanding resource values. It is only through the detailed and thorough evaluation involved in a full wild and scenic river study that a final determination on eligibility can be made.

(2) *Impacts on growth and development:* Mr. Lloyd suggests that the current bill, with a study area boundary of ¼ mile from the ordinary high water mark on each side as required under the Wild and Scenic Rivers Act, will produce a "practical moratorium on growth and expansion" in much of Concord's business district. This is simply not true; the only development projects affected by a study would be water resource development projects requiring Federal assistance that would adversely affected the river's free flowing condition or its outstandingly remarkable values. Any development not involving a water resources project would be unaffected by the study, and would remain under the jurisdiction of existing local and/or State regulations.

(3) *Proposed three hundred foot boundary:* To reduce the potential "chilling" economic impacts of the study, Mr. Lloyd proposes narrowing the study area from the minimum ¼-mile requirement to an area including only 300 feet on either side. The National Park Service would not support legislation which would so limit the scope of the study for three reasons. First, as stated above, the only development projects that would be directly affected by study status would be water resource development projects which, by definition, would have to affect the watercourse itself in some way. Development not involving this type of project would be unaffected by a study *regardless* of the width of the study area. Second, reducting the study area could result in a failure to identify important resources integral to river values. The proposal would dictate where future management boundaries would be set with no consideration of those river-related resources. The establishment of boundaries based on river-related values is critical to the development of a successful and effective plan for river conservation; to impose boundaries prior to identifying those values and developing the plan is tantamount to putting the cart before the horse. And third, the National Park Service would be concerned for the possible precedential nature of such language.

(4) *Impacts on public works projects:* Mr. Lloyd states that the study would "adversely interfere" with certain public works projects, and "would certainly delay, if not preclude" renovations to the Manchester Street Bridge in Concord. We fail to see the connection between such a project and the proposed study, and do not foresee circumstances in which the study would interfere with the progress of those renovations.

Again, we appreciate the opportunity to address your constituents' concerns. If you or they should have any questions, please feel free to contact either John Haubert of my Washington staff at (202) 208-4290 or Phil Huffman of our North Atlantic Regional Office at (617) 223-5142.

Sincerely,

Sen. JOHN HAUBERT,
(For James W. Stewart,
Assistant Director, Planning).

Mr. LAGOMARSINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1046.

The question was taken.

Mr. SMITH of New Hampshire. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1340

GRAND CANYON PROTECTION ACT OF 1990

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4498) to amend the Colorado River Storage Project Act, to direct the Secretary of the Interior to establish and implement emergency interim operational criteria at Glen Canyon Dam, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4498

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 "Grand Canyon Protection Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that:

(a) Current operational practices at Glen Canyon Dam, including fluctuating water releases made for the enhanced production of "peaking" hydroelectric power, have substantial adverse effects on downstream environmental and recreational resources, including resources located within Grand Canyon National Park. Flood releases from Glen Canyon Dam have damaged beaches and terrestrial resources. Damage from flood releases can be reduced if the frequency of flood releases is reduced, as has been the practice in recent years.

(b) The Secretary of the Interior (hereafter referred to as "the Secretary") announced on July 27, 1989, the preparation of an environmental impact statement (EIS) to evaluate the impacts of Glen Canyon Dam operations on downstream environmental and recreational resources. Based in part on information developed during the EIS process, the Secretary will be in a position to make informed decisions regarding possible changes to current operational procedures of Glan Canyon Dam.

(c) During the time required for preparation of the EIS and decisions by the Secretary, the current operational procedures, and resulting adverse effects on downstream resources, are not expected to change.

(d) The adverse effects of current operations of Glen Canyon Dam are significant and can be at least partially mitigated by the development and implementation of interim operating procedures pending the completion of the EIS, the Glen Canyon Environmental Studies, and the adoption of new long-term operating procedures for Glen Canyon Dam.

SEC. 3. PROTECTION OF GRAND CANYON NATIONAL PARK.

(a) The Secretary of the Interior shall operate Glen Canyon Dam and take other reasonable mitigation measures in such a manner as to protect, mitigate adverse impacts to, and improve the condition of the environmental, cultural and recreational resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam, under operating procedures that are subject to and consistent with the water storage and delivery functions of Glen Canyon Dam pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, consented to by the Act of April 6, 1949 (63 Stat. 31, chapter 48), and other laws relating to regulation of the Colorado River.

(b) The Act of April 11, 1956 (Colorado River Storage Project Act, 70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.), is amended as follows:

(1) by adding the following sentence at the end of section 3: "It is the further intention of Congress that the Secretary shall operate Glen Canyon Dam and take other reasonable mitigation measures so as to protect, mitigate damages to, and improve the condition of the environmental, cultural and recreational resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam, subject to and consistent with the water storage and delivery functions of Glen Canyon Dam pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, consented to by the Act of April 6, 1949 (63 Stat. 31, chapter 48), and other laws relating to regulation of the Colorado River."; and,

(2) by striking the word "Acts" in section 7 and inserting in lieu thereof the following: "Acts, nor shall he operate the hydroelectric powerplant at Glen Canyon Dam in a manner which causes significant and avoidable adverse effects on the environmental, cultural and recreational resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam."

(c) The Secretary is hereby authorized and directed to promulgate interim and long-term operational procedures for Glen Canyon Dam and take other reasonable mitigation measures as set forth in sections 4 and 5 of this Act, which procedures shall be consistent with the requirements of this section.

SEC. 4. INTERIM OPERATIONAL PROCEDURES FOR GLEN CANYON DAM.

(a) Notwithstanding any other provision of law, and pending compliance by the Secretary with the requirements of section 5 of this Act, the Secretary shall, within 90 days after the date of enactment of this Act, develop and implement interim operating procedures for Glen Canyon Dam. Such procedures shall:

(1) not interfere with the primary water storage and delivery functions of Glen Canyon Dam, pursuant to the Colorado River Compact, consented to by the Act of August 19, 1921 (42 Stat. 171, chapter 71) and approved by section 13(a) of the Act of December 21 1928 (45 Stat. 1064, chapter 42, the Upper Colorado River Basin Compact, consented to by the Act of April 6, 1949 (63 Stat. 31, chapter 48), and other laws relating to regulation of the Colorado River;

(2) minimize to the extent reasonably possible the adverse environmental impacts of Glen Canyon Dam operations on Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam;

(3) adjust fluctuating water releases caused by the production of peaking hydroelectric power, and adjust rates of flow changes for fluctuating flows that will minimize to the extent reasonably possible adverse downstream impacts;

(4) minimize flood releases, consistent with the requirements of section 3 of this Act;

(5) maintain sufficient minimum flow releases at all times from Glen Canyon Dam to minimize to the extent reasonably possible the adverse environmental impacts of Glen Canyon Dam operations on Grand Canyon National Park and to protect fishery resources; and,

(6) limit maximum flows released during normal operations to minimize to the extent reasonably possible the adverse environmental impacts of Glen Canyon Dam operations on Grand Canyon National Park and to protect fishery resources.

(b) The Secretary shall develop and implement the interim operating procedures described in subsection (a) of this section in consultation with—

(1) appropriate agencies of the Department of the Interior, including the Bureau of Reclamation, United States Fish and Wildlife Service, and the National Park Service;

(2) the Secretary of Energy;

(3) the Governors of the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and,

(4) Indian tribes; and with the full participation of the general public, including representatives of environmental organizations, the recreation industry, and contractors for the purchase of Federal power produced at Glen Canyon Dam.

(c) The Secretary shall develop and implement the interim operating procedures described in subsection (a) of this section using the best and most recent scientific data available.

(d) The interim operating procedures shall terminate upon compliance by the Secretary with the requirements of section 5 of this Act.

(e) The Secretary may deviate from the interim operating procedures described in subsection (a) of this section upon a finding that such deviation is necessary and in the public interest—

(1) to comply with the requirements of section 5(a) of this Act;

(2) to respond to hydrologic extremes or power system operating emergencies; or,

(3) to further reduce adverse impacts on environmental cultural and recreational resources downstream from Glen Canyon Dam.

SEC. 5. GLEN CANYON ENVIRONMENTAL STUDIES; GLEN CANYON DAM ENVIRONMENTAL IMPACT STATEMENT; AND LONG-TERM OPERATING PROCEDURES FOR GLEN CANYON DAM.

(a) The Secretary shall, within three years after the date of enactment of this act, complete the final Glen Canyon Dam Environmental Impact Statement in accordance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and the Glen Canyon Environmental Studies.

(b) The Comptroller General shall audit the costs and benefits to water and power users and to recreational and environmental values of management policies and operating procedures identified pursuant to subsection (a) of this section and report the results of the audit to the Secretary and the Congress.

(c) Based on the findings, conclusions, and recommendations made in the studies and the statement prepared pursuant to subsection (a) of this section and the audit performed pursuant to subsection (b) of this section, the Secretary shall implement long-term operating procedures for Glen Canyon Dam that will, alone or in combination with other reasonable mitigation measures, ensure that Glen Canyon Dam is operated in a manner consistent with this Act. Such procedures shall not interfere with the primary water storage and delivery functions of Glen Canyon Dam, pursuant to the Colorado River Compact, consented to by the Act of August 19, 1921 (42 Stat. 171, chapter 71) and approved by section 13(a) of the Act of December 21, 1928 (45 Stat. 1064, chapter 42, the Upper Colorado River Basin Compact, consented to by the Act of April 6, 1949 (63 Stat. 31, chapter 48), and other laws relating to regulation of the Colorado River.

(d) Upon completion of the requirements of subsection (c) of this section, the Secretary shall submit to the Congress:

(1) the studies and the statement completed pursuant to subsection (a) of this section; and,

(2) a report describing the long-term operating procedures for Glen Canyon Dam and other measures taken to protect, mitigate adverse impacts to, and improve the condition of the environmental, cultural and recreational resources of the Colorado River downstream of Glen Canyon Dam.

SEC. 6. LONG-TERM MONITORING.

The Secretary shall estabish and implement long-term monitoring requirements that will ensure that Glen Canyon Dam is operated in a manner consistent with the requirements and intent of this Act.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

SEC. 8. ENDANGERED SPECIES ACT.

Notwithstanding the provisions of section 4 of this Act, nothing in this Act shall be interpreted as modifying or amending the provisions of the Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) with regard to the operating of Glen Canyon Dam.

The SPEAKER pro tempore (Mr. MAZZOLI). Is a second demanded?

Mr. RHODES. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. MILLER] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. RHODES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise in support of H.R. 4498, the Grand Canyon Protection Act of 1990.

It is disappointing to me that Congress must act to defend a world treasure like the Grand Canyon against a daily assault from a Federal water project. But that is what this bill does.

Because of bureaucratic foot-dragging and an institutionalized bias at the Department of Energy and Interior, the Grand Canyon is under a daily assault.

For more than 25 years, the Glen Canyon Dam located a few miles upstream has been choking off the Colorado River before it reaches the Grand Canyon, and diverting water through power turbines.

But the widely fluctuating water releases caused by this power generation are washing away the once pristine beaches along the canyon floor, and causing other problems for endangered species and recreational users in Grand Canyon National Park.

Mr. Speaker, the current management of this dam is a national embarrassment.

The primary purpose of H.R. 4498 is to take immediate and lasting steps to protect the resources of the Grand Canyon. The bill does this by responding to conclusions reached by the Department of the Interior in the 1988 final report of the Glen Canyon Environmental Studies [GCES]. That report followed more than 6 years of study and analysis in a broad range of scientific disciplines.

Among the conclusions of the report was a determination that "some aspects of the operation of Glen Canyon Dam have substantial adverse effects on downstream environmental and recreational resources." The report found that changes in operation of Glen Canyon Dam could reduce the resource losses occurring under current operations and, in some cases, even improve the status of the resources.

H.R. 4498 directs the Secretary of the Interior to operate Glen Canyon Dam to protect, mitigate, and improve the condition of the resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream from the dam. It directs the Secretary to implement interim operating procedures to protect downstream resources while an environmental impact statement is prepared on operations of the dam. It directs the Secretary to implement long-term operating and monitoring procedures that will protect downstream resources.

The most important part of H.R. 4498 is section 3. The purpose and intent of section 3 is simple. This language is intended as a clear, concise directive to the Secretary on how to operate Glen Canyon Dam. The Secretary must operate the dam to protect the downstream resources within the context of the Secretary's water compact responsibilities and other elements of the "Law of the River". For the last 15 years, the Secretary appears to have ignored these resource protection responsibilities in favor of maximizing the production of peaking power. Section 3 is intended to provide clear direction to the Secretary as to what his responsibilities are.

The Subcommittee on Water, Power and Offshore Energy Resources and the Subcommittee on National Parks and Public Lands held 2 days of joint hearings on H.R. 4498 this spring. The subcommittees received testimony regarding the impacts of Glen Canyon Dam operations on the resources of the Grand Canyon from scientists, commercial river rafters and guides, environmentalists, water and power user organizations, representatives of the Colorado River Basin States, and the administration. The Subcommittee on Water, Power and Offshore Energy Resources favorably considered the bill on June 26, and the bill was reported with an amendment by the Committee on Interior and Insular Affairs on July 18.

I want to express my appreciation for the tremendous cooperation we have received from many individuals and organizations as we have moved H.R. 4498 through the legislative process. In particular, the gentleman from Arizona [Mr. RHODES] has taken a personal interest in this legislation and has made many improvements to it. His work and the cooperation of his staff has been invaluable.

I also want to acknowledge the cooperation of the chairman of the Committee on Merchant Marine and Fisheries, Mr. JONES. At the suggestion of the committee, H.R. 4498 now includes specific language in section 8 to preserve the applicability of the Endangered Species Act with regard to operations at Glen Canyon Dam. Endangered species considerations are a critical element of resource protection in the Grand Canyon, and there was never an intent to limit the applicability of the Endangered Species Act. With the clarification suggested by the Merchant Marine Committee, there should be no question that endangered species considerations remain in full force as new operating procedures for Glen Canyon Dam are developed.

Again, Mr. Speaker, it is unfortunate that Congress has to tell the Department of the Interior to stop destroying one of its own national parks. But we must take immediate action before it is too late for the Grand Canyon. H.R. 4498 provides us with a unique opportunity to reverse the damages. I urge my colleagues to support H.R. 4498.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H.R. 4498. This legislation addresses an important concern for Arizonans and all Americans who, like us, treasure the magnificence of the Grand Canyon.

This legislation specifically addresses the process for mitigating the impacts to environmental, natural, cultural and recreational resources within Grand Canyon National Park and the Glen Canyon National Recreation Area, downstream from Glen Canyon Dam. These resources—in and along the Colorado River—comprise a complex ecosystem that is really quite young, relative to the time when the dam began to fill in 1963. It is, nonetheless, an ecosystem that is dynamic and changing.

Studying and assessing the impacts to these resources is a difficult policy and scientific challenge. The Secretary of the Interior has responded to this challenge by ordering an environmental impact statement, which is now underway. All the members of the Arizona Congressional delegation joined in urging him to accomplish that environmental impact statement.

The House Interior Committee has struggled with this complex issue for several months, and considered fully the impacts to all those with a wide variety of direct and indirect interests in the Grand Canyon and Glen Canyon Dam. In some instances, those

legitimate interests are in fact at odds with each other.

During the committee process, changes were made to strengthen the bill and to recognize the at times very subtle yet significant distinctions between the reservoir operations and the power operations. I believe the result before us today is for the most part a fair and equitable resolution of those issues.

Section 3 of the bill before us acknowledges the complexity of the water and power operations at Glen Canyon Dam by recognizing the absolute primacy of the Colorado River compacts and the so-called Law of the River in the operation of Glen Canyon Dam and Lake Powell.

Section 4 of the bill, as amended, qualifies the term "minimize" by adding the words—"to the extent reasonably possible." I appreciate the cooperation of subcommittee chairman, GEORGE MILLER, in working out this language. My intent here is to make sure the term "minimize" is not interpreted in an extreme fashion. With the addition of the "reasonableness" language, my intent is to make sure the dam operations are not shut down, nor should the term be construed to mean or to suggest that the dam operations should be changed to result in permanent baseload operations.

Provisions in section 5 provide the flexibility the Secretary needs to perform a full and complete analysis of all mitigation alternatives during the EIS process and in developing the long-range power operating procedures that will follow the EIS. The legislation acknowledges the fact that current operating procedures for the Colorado River have in fact reduced the frequency of floods—which had been the major cause of harm to downstream resources.

□ 1350

During markup of the bill in the Interior Committee, two amendments I offered were accepted. One clarified the bills' intent that the Secretary consider any and all reasonable mitigation measures during the EIS process and in formulating his decision on long-term power operating procedures for Glen Canyon Dam.

The committee report goes to great lengths to explain my intent and the committee's intent regarding this amendment. The amendment requires consideration and use of "other reasonable mitigation measures" in conjunction with and I should emphasize "in conjunction with" possible changes in power operations. The committee report explains that this is not a stand alone requirement, nor is it in any manner contemplated to be a substitute for changes in dam operations.

We included statutory and report language that says specifically that there must be a reasonableness test regarding those other mitigation measures. We say in the report that so-called armoring of beaches with the installation of concrete sleeping pads to minimize beach erosion, does not and please allow me to emphasize "does not" meet the "reasonable" measures authorized by the legislation. Any suggestion to the contrary is inaccurate regarding my intent and the intent of the committee, and let me say that I do not know of anybody who ever has suggested or would suggest the use of such measures as concrete armoring of the beaches in the Grand Canyon as any sort of a reasonable mitigation step.

From my perspective, for example, placement of natural rocks or boulders to help stabilize beaches would be a reasonable mitigation measure. There may be many other types of reasonable mitigation measures that could be taken. Any such measures may be in addition to or in conjunction with, but not in lieu of, power operation changes that will be made as a result of this legislation.

The other of my amendments that was adopted by the committee simply reaffirmed the primacy of the Colorado River Basin States' water storage and delivery compacts in formulating the long-term operating procedures.

Finally, working on this bill has been a learning experience for many of us. I have been, and remain, greatly concerned about the timing of the interim water releases that are required by this bill. My concern is based on the impact such interim flows may have on the science to be gathered during the research/test flow phase that is now underway as part of the continuing Glen Canyon environmental studies and the environmental impact statement. In my view, imposition of an interim flow regime would better serve the cause of good science by being imposed after, rather than during, the research/test flows. There was some committee hearing testimony to support that concern. I acknowledge there are others who believe otherwise.

The other important issue that needs to be considered is that imposing interim release criteria during the research/test flow phase not upset the monthly water budgets under the Colorado River compacts. That means that the total water delivery requirements must be met during this period, as well as during the long-term operating procedures.

The data collection from the research/test flows is critical to determining what the long-term operating procedures will be. The gathering of that science must not be compromised.

Those are important considerations, and ones which I hope may be addressed further as we continue through the legislative process.

For now, however, we all have worked hard on this legislation and have developed a responsible and effective bill which will, as its title states, protect the Grand Canyon. I urge my colleagues to support this bill so we can get on with the task ahead of us.

Mr. Speaker, I particularly want to thank the gentleman from California [Mr. MILLER] and his staff for the hard work they have put in on this bill, and my staff and the staff of the committee as well. We started off pretty far apart on some of the issues on this bill, and we have come a long ways to getting to the point where we are today, and I especially appreciate the efforts of the gentleman from California [Mr. MILLER].

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

First of all, Mr. Speaker, let me say that in the discussions of mitigation, in all of the discussions the gentleman from Arizona [Mr. RHODES] and I have had on that topic, and it is an important discussion, but it was never suggested, as he has pointed out, by anyone that the armoring of the beaches with rocks or the use of concrete in the canyon at any time was ever under any discussion; not a question of whether it was under serious discussion; it was never part of any discussion. It is widely recognized that that approach would be unacceptable to all parties to this concern and to anybody that has any slight interest in the Grand Canyon, the preservation of its resources, and that was unacceptable. I am not quite clear on where that idea came from. I only saw one statement with respect to somebody from one of the environment groups suggesting that that was the outcome of some of these deliberations. It clearly is not and never will be part of the discussions on the protection of these resources.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO], the chairman of the Subcommittee on National Parks and Public Lands, who has been very, very helpful in crafting this legislation, and, as I mentioned in my opening remarks, the Subcommittee on National Parks and Public Lands and our Subcommittee on Water, Power and Offshore Energy Resources held joint hearings on this matter since tragically part of the department under my jurisdiction was destroying the resources, and it is the job of the gentleman from Minnesota [Mr. VENTO] to try to preserve those resources.

Mr. VENTO. Mr. Speaker, I rise in support of H.R. 4498 as reported from

the Committee on Interior and Insular Affairs.

As chairman of the Subcommittee on National Parks and Public Lands, I have been especially concerned with the importance of improving the way that Glen Canyon Dam is managed, so as to lessen the adverse impacts on Grand Canyon National Park and Glen Canyon National Recreation Area.

The resources being affected by dam management include Colorado River beaches, endangered fish species, and white-water rafting, much of which directly affect or are within Grand Canyon National Park.

In the past, there has been a reluctance by the administration to fully address the range of issues involved in attempting to better understand and resolve the issues presented by the tension between the duty of the Secretary of the Interior to protect the National Park System and its resources, and the Secretary's role as manager of Glen Canyon Dam and other facilities associated with that and other dams.

It should be observed that Secretary Lujan has demonstrated a willingness to press forward with a fuller environmental analysis of these matters. But opportunities will arise to derail such affirmative work. A major purpose of this bill is to assist to reinforce such undertaking, and to resolve remaining doubts about the priorities involved and to eliminate uncertainty and provide legal basis for action to address the issue of dam operation. Impact on the resources of the Colorado River and the adjacent park or other lands.

Mr. Speaker, the gentleman from California, Congressman GEORGE MILLER, the chairman of the subcommittee, has explained the bill before us, so I will not repeat that explanation. I merely want to join in underscoring the importance of this measure, and in urging that it receive the overwhelming approval of the House.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Arizona [Mr. RHODES], the gentleman from Minnesota [Mr. VENTO], and the members of the Committee on Merchant Marine and Fisheries.

Also, I want to thank our chairman, the gentleman from Arizona [Mr. UDALL], who became the catalyst for the movement on this legislation. His willingness to have the committee act in a prompt fashion on this legislation is what finally enabled us to go forward and to work out this compromise that, I think, will provide for the immediate and the long-term protection of the canyon. I certainly want to recognize his role and the political importance of his willingness to have the subcommittee take up this legislation and eventually the Committee on Interior and Insular Affairs. I would hope that our colleagues would support this legislation to protect this greatest of all of our national resources, and I urge its passage.

Mr. JONES of North Carolina. Mr. Speaker, I support H.R. 4498, the Glen Canyon Protection Act of 1990. The bill would direct the Secretary of the Interior to establish certain interim operating criteria at Glen Canyon Dam to mitigate adverse environmental effects caused by the operation of the dam.

The subject of this bill addresses several issues under the jurisdiction of the Committee on Merchant Marine and Fisheries. The bill generally directs the Secretary of the Interior to enhance the natural resources of the Colorado River by mitigating the operational effects of Glen Canyon Dam. The bill seeks to accomplish this goal by directing the Secretary to develop and implement interim operational criteria for the dam. These interim criteria would remain in place pending completion of an environmental impact statement and the issuance of permanent operating criteria. Section 4 of the bill sets out various objectives which the interim criteria must address. Among other things, this section establishes that the interim operating criteria for the dam shall "maintain sufficient minimum flow releases * * *" And to "limit maximum flows * * * to protect fishery resources." Section 4 also requires that the interim operating criteria be developed and implemented by the Secretary in consultation with the U.S. Fish and Wildlife Service [FWS]. This committee has jurisdiction over the activities of FWS. We, therefore, have a jurisdictional interest in the provisions of a bill like H.R. 4498 that imposes new program responsibilities on FWS—in this case by requiring its assistance and participation in the development of interim operating criteria for Glen Canyon Dam.

This committee also has jurisdiction over legislation affecting the fishery resources of this country, including those in the Colorado River. At least three species of fish inhabiting waters below Glen Canyon Dam are currently listed or are proposed to be listed under the Endangered Species Act [ESA]: The endangered Colorado River squawfish and humpback chub and the razorback sucker. These endangered fish could be affected by the interim operating criteria developed under section 4(a) of H.R. 4498. In addition, subsection 4(e) authorizes the Secretary to deviate from the interim operating procedures—including those designed for enhancing downstream fishery resources—when he finds that it is in the public interest to respond to "power system operating emergencies" * * * or to "further reduce adverse impacts on * * * cultural and recreational resources downstream from Glen Canyon Dam."

These two subsections individually and collectively could be read to override the ESA's protection for listed fish below Glen Canyon Dam. Any bill which affects endangered or threatened species protection similarly affects the jurisdiction of my committee.

Fortunately it was not the intent of the sponsors of H.R. 4498 to have the bill amend or modify the provisions of the ESA as applied to the operation of Glen Canyon Dam. Congressman MILLER and Congressman RHODES graciously agreed to a technical amendment, now included in the bill as section 8, which disclaims any intent that H.R. 4498 would override the provisions of the ESA. Their inclusion of this language fully satisfies the concerns of my committee and I now wholeheartedly support the passage of this bill. I would like to thank them for their leadership regarding Glen Canyon Dam and would urge my colleagues to vote in favor of this bill.

Mr. MILLER of California. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 4498, as amended.

The question was taken.

Mr. BARTON of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1400

CONGRESSIONAL MEDAL FOR VETERANS OF THE ATTACK ON PEARL HARBOR

Mr. LEHMAN of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2575) to establish a congressional commemorative medal for members of the Armed Forces who were present during the attack on Pearl Harbor on December 7, 1941, as amended.

The Clerk read as follows:

H.R. 2575

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

TITLE I—CONGRESSIONAL MEDAL FOR VETERANS OF THE ATTACK ON PEARL HARBOR

SEC. 101. PURPOSE.

The purposes of this title are to—

(1) commemorate the sacrifices made and service rendered to the United States by those veterans of the Armed Forces who defended Pearl Harbor and other military installations in Hawaii against attack by the Japanese on December 7, 1941; and

(2) honor those veterans on the fiftieth anniversary of that attack.

SEC. 102. CONGRESSIONAL MEDAL.

(a) PRESENTATION AUTHORIZED.—The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of the Congress, to the individuals certified by the Secretary of Defense pursuant to section 103 a bronze medal 1½ inches in diameter commemorating their service to the United States. The presentation shall be made as close as feasible to the fiftieth anniversary of the attack on Pearl Harbor. The medal may be accepted by the next of

kin of any such individual who was killed in action during the attack or who died thereafter.

(b) DESIGN AND STRIKING.—The Secretary of the Treasury shall strike the medal established by subsection (a) in bronze with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 103. ELIGIBILITY TO RECEIVE MEDAL.

(a) IN GENERAL.—To be eligible to be presented the medal referred to in section 102(a), an individual must have been a member of the Armed Forces who was present in Hawaii on December 7, 1941, and who participated in combat operations that day against Japanese military forces attacking Hawaii. An individual who was killed or wounded in that attack shall be deemed to have participated in the combat operations.

(b) DOCUMENTATION.—To establish the eligibility required by subsection (a), an individual must present to the Secretary of Defense an application with such supporting documentation as the individual may have to support his or her eligibility or the eligibility of a next of kin. The Secretary shall determine, through the documentation provided and, if necessary, independent investigation whether an individual meets the criteria established in subsection (a).

(c) CERTIFICATION.—The Secretary of Defense shall, within 12 months after the date of enactment of this title, certify to the Speaker of the House of Representatives and the President pro tempore of the Senate the names of the individuals eligible to receive the medal.

(d) NEXT OF KIN.—If applications for a medal are filed by more than one next of kin of an individual who is eligible to receive a medal, the Secretary of Defense shall determine which next of kin will receive the medal.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

Effective October 1, 1990, there are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

SEC. 105. NATIONAL MEDALS.

The medals struck pursuant to this title are national medals for purposes of chapter 51 of title 31, United States Code.

TITLE II—YOSEMITE NATIONAL PARK CENTENNIAL MEDAL

SEC. 201. SHORT TITLE.

This title may be cited as the "Yosemite National Park Centennial Medal Act".

SEC. 202. YOSEMITE NATIONAL PARK CENTENNIAL MEDALS.

(a) STRIKING AND DESIGN OF MEDALS.—In commemoration of the centennial of Yosemite National Park in 1990, the Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall strike medals with suitable emblems, devices, and inscriptions capturing the scenic and historic significance of the park. The design of the medals shall be determined by the Secretary in consultation with the Secretary of the Interior and the Commission of Fine Arts.

(b) SALE OF MEDALS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the medals issued under this title shall be sold by the Secretary at a price equal to the cost of designing and issuing such medals (including labor, materials, dies, use of machinery, and overhead expenses) and the surcharge provided for in paragraph (3).

(2) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount.

(3) SURCHARGES.—All sales shall include a surcharge of $2 each.

SEC. 203. DISTRIBUTION OF SURCHARGES.

All surcharges which are received by the Secretary from the sale of medals issued under this title shall be promptly paid by the Secretary to a permanent endowment fund for the benefit of Yosemite National Park to be administered by the National Park Foundation. The net income from the fund shall be paid to the Secretary of the Interior for purposes of funding special supplemental projects relating to back country trail development and rehabilitation, and the preservation of Sequoia groves within the boundaries of Yosemite National Park.

SEC. 204. SALE OF MEDALS IN NATIONAL PARK FACILITIES.

The Secretary and the Secretary of the Interior shall enter into a memorandum of agreement to allow—

(1) the Secretary to deliver medals to the Secretary of the Interior; and

(2) the Secretary of the Interior to provide for the sale of the medals in National Park facilities.

SEC. 205. METAL CONTENT AND SIZE OF MEDALS.

The medals authorized to be struck and delivered under this title shall be struck in bronze and in the size determined by the Secretary in consultation with the Secretary of the Interior.

SEC. 206. NATIONAL MEDALS.

The medals authorized by this title are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 207. EXAMINATION OF RECORDS.

The Comptroller General of the United States shall have the right to examine all books, documents, and other records of the National park Foundation which are related to the medals authorized by this title.

The SPEAKER pro tempore. Is a second demanded?

Mr. HILER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. LEHMAN] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HILER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 2575, establishes a congressional commemorative medal for members of the Armed Forces who were present during the attack on Pearl Harbor on December 7, 1941.

An amendment in the nature of a substitute to H.R. 2575 was adopted without dissent as original text in our subcommittee markup of July 26. The amendment makes two significant changes to the bill to address concerns raised during hearings on the legislation, and also makes a few technical changes to make the bill conform to the Senate-passed version of the bill. The bill is also amended to include a second title which authorizes a medal to honor the centennial of Yosemite National Park. The second title contains the exact same language as H.R. 3182, the Yosemite National Park Centennial Medal Act, which was passed by the House on March 20, 1990.

The first significant change is that the medals produced and awarded be 1½ inches in diameter. This is a smaller medal than is generally awarded, and is much less costly to produce. This change was required to reduce the cost of this legislation that would result from giving the standard national medal to such a large number of recipients. The U.S. Mint, in testimony before the subcommittee said that H.R. 2575 as originally written could be so potentially expensive that the mint would be forced to seek a supplemental appropriation to fulfill the requirements of the legislation. The changes made in this amendment should eliminate that concern.

The second significant change deletes the requirement that duplicates of the medal be sold to the general public. This change is necessary because the duplicate sized medals sold to the public would be the same 1½ inch bronze medals that will be awarded to the eligible recipients. It would demean this award to have the same medal that is awarded available for sale to the general public.

With these two changes being made I believe we have a bill that does service to both the mint and to those individuals that the legislation intends to honor.

Mr. Speaker, I reserve the balance of my time.

Mr. HILER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2575, the Pearl Harbor Survivors Medal and encourage the House to promptly pass this legislation.

I would initially like to commend the bill's chief sponsor, Congressman GUARINI, for the hard work he has done in order to comply with our subcommittee rules that require 218 cosponsors for legislation of this type. I also want to commend Subcommittee Chairman LEHMAN for the fine effort he and his staff have given to make this a workable piece of legislation. The bill we take up today will allow us to honor our Pearl Harbor veterans without significant expense to the taxpayer and has been substantially improved with the cooperation of Mr. GUARINI from the bill as introduced.

The battle of Pearl Harbor is one of the most notorious events that has occurred in our Nation's history. Truly it was a day that will live in infamy. It is entirely appropriate that this Congress should honor the men and women who were serving at Pearl Harbor on December 7, 1941. Their acts of heroism will long be remem-

bered and this country owes them a great debt.

The bill we take up today is compromise legislation that will give Pearl Harbor survivors a fine commemorative medal minted at minimal cost to the Government. It is my understanding that the U.S. Mint supports the subcommittee reported bill and prefers it to the original bill.

Let me outline the major provisions of the legislation as reported by the subcommittee. Section 101 of the bill states the purpose of the legislation to mark the 50th anniversary of the Pearl Harbor battle.

Section 102 causes the Secretary of the Treasury to strike medals to be given to the survivors or the immediate heirs of individuals who served at Pearl Harbor on December 7, 1941. The medals will be made of bronze and 1½ inches in diameter. The Secretary of Treasury will select the design for the medals. No duplicates of the medals will be sold to the general public. This was a major change made by the subcommittee and done so as not to lessen the esteem associated with the authentic medals.

Section 103 establishes the criteria for receiving a medal and establishes a procedure by which the Secretary of Defense can determine the eligibility of claimants.

Section 104 authorizes appropriate sums to mint the medals.

Section 105 designates the medals as national medals.

Additionally, the subcommittee added the Yosemite National Park Centennial Medal Act to H.R. 2575. The Yosemite Medal is noncontroversial legislation that Subcommittee Chairman LEHMAN and I cosponsored and that has already passed the House on a previous occasion.

This bill granting medals to the Pearl Harbor survivors is a case of first impression. Our subcommittee has never authorized medals of this type and I must say that I am not optimistic that we will do so again any time in the near future. But the magnitude of the events that occurred on December 7, 1941 make the Pearl Harbor survivors deserving of special attention. Therefore, I am pleased that we are considering this legislation today and I strongly urge my colleagues to support its prompt passage.

Mr. LEHMAN of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. GUARINI], the prime author of this legislation.

Mr. GUARINI. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, December 7, 1991 will be the 50th anniversary of one of the most tragic events in our Nation's history—The Japanese attack on Pearl Harbor. That attack swept us into World War II. It elevated the United States as the world's protector of freedom and it affected generations of Americans who believed—and continue to believe—that we as a nation must pursue the fight for freedom.

I feel strongly that it is only appropriate that we pay a final tribute to the 2,400 veterans who died that day in Hawaii and the thousands of others who survived. H.R. 2575 establishes a Pearl Harbor Commemorative Medal to be awarded to those individuals who participated in combat operations that fateful day. For those veterans who were killed or have since passed away, the medal can be presented to a next of kin.

It is my hope that, with the support of my colleagues, we can award the medals on the 50th anniversary of the Pearl Harbor attack next December. Finally, I want to thank Chairman RICK LEHMAN, Mr. JOHN HILER, and chairman HENRY GONZALES for their support of the bill.

Mr. HILER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I rise in support of this legislation and would like to enter into a colloquy with my distinguished colleague, the gentleman from Indiana.

May I ask the gentleman from Indiana [Mr. HILER] if he happens to know how many veterans of Pearl Harbor are still alive today in this country, or perhaps the gentleman from California [Mr. LEHMAN] might know.

I yield to the gentleman from Indiana.

Mr. HILER. Mr. Speaker, I would defer to the chairman if my answers are not 100 percent correct, but my recollection is that it is estimated that there will be somewhere in the neighborhood of 20,000 to 25,000 medals that will end up actually being minted and distributed. Conceivably, you could have upward of 60,000 to 80,000 is my recollection from the testimony before the hearing.

The principal sponsor of the bill might wish to respond to that question, if my answer is not 100 percent correct.

Mr. GUARINI. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from New Jersey.

Mr. GUARINI. I would state, Mr. Speaker, there were about 90,000 people originally involved; however, there may be only about half that number that are alive today, Pearl Harbor having been almost 50 years ago, and many of them having since passed away.

Perhaps many of the addresses of the people we do not have. Many may not apply for the medal, and as a result it is estimated that we may only need about 25,000 or 30,000 that will have to be struck.

Mr. BARTON of Texas. Another question, does the legislation before us, which again I think is very commendable, does it have any provision for a special ceremony here in the Nation's Capital or out in Hawaii?

Mr. HILER. Mr. Speaker, if the gentleman will yield further, it is planned, I believe, that there will be a special ceremony taking place on December 7, 1991, at Pearl Harbor, where I think that would be kind of the official presentation of the medal.

There is an Association of Pearl Harbor Survivors who have been extremely involved with this legislation. I know the principal sponsor has worked with them a great deal.

□ 1410

I know they will have other events planned as well.

Mr. GUARINI. If the gentleman will yield further, I think that is correct, and we would look forward to having due recognition given to the many men in service who have sacrificed either by giving their lives, through their successors, or many of the people who have survived and have been throughout the whole duration of World War II, so, hopefully, there will be something here in Washington, and there will perhaps be ceremonies in different parts of our Nation, but principally on the U.S.S. *Arizona*, which was sunk and which now lies in the national monument in Pearl Harbor today.

Mr. BARTON of Texas. Reclaiming my time, I would just like to conclude by stating that a former Congressman from the Sixth Congressional District, the late Olin E. (Tiger) Teague, my predecessor who was chairman of the Veterans' Affairs Committee and was a congressional dedication speaker at the memorial over the battleship *Arizona*. I think this is excellent legislation, and I would hope that the Congress will pass it.

Mr. HILER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEHMAN of California. Mr. Speaker, I thank the gentleman from Indiana [Mr. HILER] for his hard work and cooperation on this.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. LEHMAN] that the House suspend the rules and pass the bill, H.R. 2575, as amended.

The question was taken.

Mr. BARTON of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the

Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LEHMAN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 2575, the bill just considered.

The SPEAKER pro tempore. (Mr. MAZZOLI). Is there objection to the request of the gentleman from California?

There was no objection.

TELEPHONE ADVERTISING REGULATION ACT

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2921) to amend the Communications Act of 1934 to prohibit certain practices involving the use of telephone equipment for advertising and solicitation purposes, as amended.

The Clerk read as follows:

H.R. 2921

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 "Telephone Advertising Regulation Act".

SEC. 2. AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.

(a) AMENDMENT.—Title II of the Communications Act of 1934 is amended by inserting after section 224 (47 U.S.C. 224) the following new section:

"RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING

"SEC. 225. (a) DEFINITIONS.—As used in this section—

"(1) the term 'automatic telephone dialing system' means equipment which has the capacity—

"(A) to store or produce numbers to be called, using a random or sequential number generator;

"(B) to dial such numbers; and

"(C) to deliver, without initial live operator intervention, a prerecorded voice message to the number dialed, with or without manual assistance.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity—

"(A) to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line; and

"(B) to receive such signals over such a line and to produce a copy of the transmitted text and images.

"(3) The term 'telephone solicitation' means the unsolicited initiation of a telephone message, without initial live operator intervention, for the purpose of encouraging a person to purchase, rent, or invest in property, goods, or services.

"(4) The term 'unsolicited advertisement' means any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person's prior express invitation or permission.

"(b) RESTRICTIONS.—It shall be unlawful for any person within the United States by means of telephone—

"(1) to use any telephone facsimile machine or computer or other electronic device to send any unsolicited advertisement to the telephone facsimile machine of any person whose number is listed pursuant to subsection (c) as the telephone number of a person who objects to receiving unsolicited advertisements by telephone facsimile machine;

"(2) to use any automatic telephone dialing system to transmit, without initial live operator intervention, any prerecorded telephone solicitation to any person whose number is listed pursuant to subsection (c) as the telephone number of a person who objects to receiving telephone solicitations from automatic telephone dialing systems;

"(3) to use any automatic telephone dialing system to make unsolicited calls—

"(A) to any emergency telephone line of any hospital, medical physician or service office, health care facility, fire protection, or law enforcement agency; or

"(B) to any number assigned to paging or cellular telephone service;

"(4) to use any telephone facsimile machine or any automatic telephone dialing system that does not comply with the technical standards prescribed under subsection (d); or

"(5) to use a computer or other electronic device to send an unsolicited advertisement via a facsimile machine unless such person sending the advertisement clearly notes the date and time it is sent and the identity and telephone number of the business initiating the message.

"(c) COMPILATION OF LISTS OF OBJECTING PERSONS.—

"(1) SELECTION AND OPERATION OF LISTING MECHANISM.—The Commission shall compare and evaluate alternative mechanisms for establishing a national clearinghouse to compile a list of telephone subscribers who have submitted objections under subparagraph (A) or (B) of paragraph (2) (or both) and to make that compiled list available. Such comparison and evaluation shall include the solicitation of public comment on such alternative mechanisms and shall include the evaluation of the establishment of the clearinghouse by the Commission or its designee. Within 180 days after the date of enactment of this section, the Commission shall by regulation select the mechanism which it determines will be the most cost effective in carrying out the purposes of this section. Such mechanism shall provide for the recovery, from persons obtaining lists for purposes of complying with this section or comparable State law, of costs incurred under this paragraph.

"(2) NOTIFICATION TO SUBSCRIBERS.—Each common carrier providing telephone exchange service shall, in accordance with regulations prescribed by the Commission, afford its subscribers for telephone exchange service the opportunity to provide notification in accordance with regulations established under paragraph (3) that such subscriber objects to either or both of the following:

"(A) to receiving unsolicited advertisements by telephone facsimile machine; or

"(B) to receiving prerecorded, commercial telephone solicitations from automatic telephone dialing systems.

"(3) REGULATIONS.—The regulations prescribed under this subsection shall—

"(A) specify the methods by which a subscriber shall be informed by a common carrier of the right to give or revoke a notification of an objection under subparagraph (A) or (B) (or both) of paragraph (2) and specify the methods by which such right may be exercised by the subscriber;

"(B) specify the methods by which such objections shall be collected and transmitted to the national clearinghouse established by the Commission under paragraph (1);

"(C) prohibit any residential subscriber from being charged for giving or revoking such notification or for being carried on a list compiled under this section;

"(D) specify the methods by which such list shall be available to any person desiring to transmit unsolicited advertisements by telephone facsimile machine or to use an automatic dialing system to transmit telephone solicitations, and the costs to be recovered from such persons;

"(E) specify the frequency with which such lists will be updated and specify the method by which such updated list will take effect for purposes of compliance with subsection (b);

"(F) be designed to permit and encourage States to use the listing mechanism selected by the Commission under paragraph (1) for purposes of administering or enforcing State law; and

"(G) prohibit the use of such list for any purpose other than compliance with the requirements of this section or any similar State law and specify methods for protection of the privacy rights of persons whose numbers are included in such list.

"(4) ALTERNATIVE MECHANISM PERMITTED.—If the Commission, on the basis of its investigation during the rulemaking proceedings required for purposes of this subsection, determines that the listing mechanism required by this subsection is not the most efficient, effective, and economic means of accomplishing the purposes of this subsection, the Commission shall consider alternative mechanisms to accomplish such purposes. If the Commission determines that an alternative mechanism will provide equivalent protection of telephone subscriber privacy rights in a more efficient, effective, and economic manner and without the imposition of any additional charge to telephone subscribers, the Commission shall, after notice and opportunity for comment thereon and after 90 days notice to the Congress, prescribe such regulations as are necessary to implement such alternative mechanism.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) TELEPHONE FACSIMILE MACHINES.—The Commission shall revise the regulations setting technical and procedural standards for telephone facsimile machines to require that any such machine which—

"(A) is manufactured after 6 months after the date of enactment of this section, and

"(B) is used for the distribution of unsolicited advertising,

be equipped to identify, in a margin at the top or bottom of each transmitted page, the date and time sent, an identification of the business sending the advertising, and the telephone number of the sending machine or of such business. The Commission shall exempt from such standards, for 18 months after such date of enactment, telephone facsimile machines that do not have the capacity for automatic dialing and transmission and that are not capable of operation through an interface with a computer.

"(2) AUTOMATIC TELEPHONE DIALING SYSTEMS.—The Commission shall prescribe technical and procedual standards for auto-

matic telephone dialing systems that are used to transmit any prerecorded telephone solicitation. Such standards shall require that—

"(A) all recorded messages (i) shall, at the beginning of the message, state clearly the identity of the business initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business; and

"(B) such systems will, as soon as is technically practicable (given the limitations of the telephone exchange service facilities) after the called party hangs up, automatically create a disconnect signal or on-hook condition which allows the called party's line to be released.

"(e) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed pursuant to this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits, either or both of the following:

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements; and

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations.

"(f) SCHEDULE FOR PROMULGATIONS OF REGULATIONS.—The regulations required by this section shall be prescribed within 6 months after the date of enactment of this section.

"(g) EFFECTIVE DATE OF REQUIREMENTS.—The requirements of this section shall take effect 30 days after the date that such regulations are prescribed.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "section 223 or 224" and inserting "sections 223, 224, and 225".

The SPEAKER pro tempore. Is a second demanded?

Mr. RITTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. RITTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2921, the Telephone Advertising Regulation Act of 1990. This legislation will protect businesses and consumers who rely on the telephone as a necessary ingredient of their daily activities, from the cost and intrusion of the unsolicited telephone advertising which is increasingly finding its way into individual's homes and offices.

The telephone resides in virtually every American home and business and has become an integral part of our daily lives. Today telecommunications technologies are improving the services brought into our homes. However, the use of the telephone and fax machine to advertise and solicit products not only offers us new services but unfortunately, new problems.

The telephone is an insistent master—when it rings we answer it. Many consumers complain bitterly that when it rings to deliver unsolicited advertising, it is invading their privacy. Likewise, businesses dependent on the fax machine to carry vital information have come to decry unsolicited advertising that results in cost to, and interference with business activity.

In recent years a growing number of telephone solicitors have started to use automatic dialing systems. Each of these machines can automatically dial up to 1,000 phones per day to deliver a prerecorded message. According to industry officials, each day they are used by more than 180,000 solicitors to call more than 7 million Americans. Unfortunately, these machines are often programmed to dial whole blocks of numbers in sequence, including hospitals, fire stations, pagers, and unlisted numbers. Such random programming not only makes the machine an equal opportunity nuisance, but an equal opportunity hazard. This threat is particularly serious in instances where the machine is not capable of releasing the called party's line once the party hangs up.

The newest technology to gain popularity for delivering unsolicited advertising is the facsimile machine. An office oddity 2 years ago, the fax machine has rapidly become a necessity in my office and in more than 2 million others, delivering more than 30 billion pages of material each year. However, with the growth in use of the fax machines has come "junk fax," the electronic equivalent of junk mail. To quote an article from the Washington Post, "receiving junk fax is like getting junk mail with the postage due." Succinctly put, using a facsimile machine to send unsolicited advertising not only shifts costs from the advertiser to the recipient, but keeps an important business machine from being used for its intended purpose.

H.R. 2921, which I introduced together with the ranking minority member of the subcommittee, Mr. RINALDO, and Mr. FRANK, Mrs. ROUKEMA, Mr. SHAYS, and Mr. STARK, is a bipartisan effort to return a measure of control to consumers over what they hear and read.

This bill is supported by the National Association of Regulatory Utility Commissioners [NARUC], the American Telemarketers Association, and consumer groups, including the National Association of State Utilities Consumer Advocates [NASUCA]. The bill, as amended, is now acceptable to most in the telecommunications industry. It is a fair and reasonable compromise that addresses today's growing consumer complaints while protecting the interests of legitimate telemarketers.

This bill will not eliminate unsolicited telephone advertising, for certainly we must acknowledge that telephone solicitation, when conducted properly, is an established, lawful marketing practice. However, this bill will give consumers an alternative, to specify that they do not want to receive unsolicited advertising and require advertisers to honor that choice.

In addition, this bill eliminates unsolicited calls to emergency and public safety telephone numbers as well as paging and cellular equipment. The random calling of emergency and certain business equipment can be dangerous and special protections for the use of this equipment is included. Finally, the legislation, which covers both intrastate and interstate unsolicited calls, establishes Federal guidelines to fill the regulatory gap arising from differences in Federal and State telemarketing regulations. These guideline will give advertisers a single set of ground rules, and prevent them from falling through the cracks between Federal and State statutes.

Mr. FRANK, Mrs. ROUKEMA, Mr. SHAYS and I would like to thank my colleagues for their cooperation in drafting this bill, which incorporated many of the concepts that were included in legislation the originally introduced. I would especially like to commend Representative RINALDO and the minority staff for the cooperative spirit with which this bill was been crafted.

I urge my colleagues to support this legislation, not as a restriction on commercial practices, but as an affirmation of an individual's right to choose to be free from unwanted intrusions.

Mr. Speaker, I reserve the balance of my time.

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the telephone is much more than a means of keeping in touch with our far-flung families. The telephone is a highway of commerce through which billions of dollars of products and services are made available.

A wise man once said that every innovation breeds a new problem. This is certainly true of both auto-dialers and "junk fax". Telecommunications is exploding with innovations. So it shouldn't surprise us that the use of these new technologies has bred new problems and headaches that we have never encountered, and that present law does not address.

Automatic dialing devices, or autodialers, are widely used in telemarketing because they enable a business to complete many more calls automatically than people dialing manually. Unfortunately, these auto-dialers can clog up phone lines, making it impossi-

ble to complete calls. This can be a life-and-death situation, when someone cannot complete an emergency call because an auto-dialer has not disconnected yet.

There are legitimate purposes for auto-dialers. But they should not be permitted to tie up the phone lines. The telephone is the lifeline link for many of our citizens, especially senior citizens.

The so-called junk fax problem has arisen from the fact that fax machines are becoming indispensable tools, as many Members of Congress will tell you. There already are over 2½ million fax machines in the United States. Soon, fax machines will even be available in your car.

No sooner did fax machines begin to be used generally than fax advertising, or junk fax, began to appear. Junk fax is more than just irritating: It is also costly, because the receiver has to pay for the junk fax. Also, like auto-dialers, unsolicited and unwanted faxes can tie up a machine for hours and thwart the receipt of legitimate and important messages.

Examples of the problems with junk fax are multiplying. The Houston Oilers' office was "fax attacked" by Cleveland Browns' fans the week before a game between the two teams. Last year, Connecticut enacted a law against junk fax after Governor O'Neill was himself subjected to a fax attack: Junk fax messages urging him to vote against the bill. Unfortunately for the bill's opponents, this fax attack happened at the same time that an emergency flood report was expected.

In Maryland, a similar thing happened to Governor Schaefer, and he immediately signed legislation to ban junk fax. Recently, Virginia permitted the receiver of a junk fax to sue the sender for $200 plus attorney's fees. A dozen other States are considering similar legislation.

To address the problem of interstate junk fax calls, Federal legislation is necessary. That is why Republicans have worked with the subcommittee chairman, Mr. MARKEY, to craft bipartisan legislation to cure the junk fax problem: H.R. 2921—the Telephone Advertising Regulation Act.

Our legislation prohibits the use of auto-dialers or unsolicited faxes to reach any number which is on record with the local telephone company as objecting to their receipt. It is a narrowly tailored response to a problem which we cannot permit to grow out of control.

The bill balances the first amendment rights of those who wish to send with those who do not wish to receive. Some say that legislation of this type violates the first amendment rights of junk faxers. I strongly disagree. We must remember that the first amendment also guarantees to our citizens the choice not to listen. It is absurd to suggest that citizens who own fax machines must receive junk fax, but that they also must pay for the privilege.

□ 1420

Mr. Speaker, I would like to commend some individual Members for their leadership in bringing this legislation to the attention of Congress: The gentlewoman from New Jersey [Mrs. ROUKEMA] and the gentleman from Connecticut [Mr. SHAYS] from our side of the aisle, and the gentleman from Massachusetts [Mr. FRANK] and the gentleman from California [Mr. STARK] on the other side of the aisle.

Mr. Speaker, there was unanimous agreement in the Energy and Commerce Committee that these abusive practices must stop. I believe this legislation will make sure that they do.

I urge the House to support the Telephone Advertising Regulations Act.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK]. The gentleman introduced the original piece of legislation dealing with the autodialing problem, and we have incorporated the basic precepts of that legislation in this bill.

Mr. FRANK. Mr. Speaker, I wish to offer my congratulations to the gentleman from Massachusetts, the ranking member from New Jersey, and others for a very well done piece of legislation. This is the legislative process at its best, a problem that is bothering citizens being brought to the attention of members of the committee, and they have brought over a bill that balances legitimate competing interests quite well. It gives protection to those entitled to protection, without interfering with any legitimate commercial activity.

There are people who wonder sometimes about the degree of responsiveness in our system. I think those criticisms are greatly overstated. In my case and I believe in the case of the gentleman from New Jersey, we had constituent complaints that came to our attention. What we did was to work on them, to come up with legislative approaches. We respectively brought them to members on the Committee on Energy and Commerce, and as a result of this bipartisan corroboration, we have a very good piece of legislation generated in part by citizen complaints.

Mr. Speaker, people ought to understand how our Constitution is supposed to work and often does, and often does not get recognized.

Second, Mr. Speaker, I must say a good word for regulation. Regulation can be overdone because of inefficiencies, but is also essential. In a complex economic world, citizens need some protections. Virtually every Member in this Chamber believes that the private sector is the primary engine in this country for the creation of wealth. It is the basis of our economy. We also understand that sensible Government regulation is needed and desirable to protect people from aspects of that private system that may have negative consequences.

What members on the Committee of Energy and Commerce have done, the gentleman from Massachusetts, the gentleman from New Jersey, and others, the gentleman from Pennsylvania who participated in this, is to come forward with a bill that allows the private sector to do well what it is supposed to do, while through sensible regulation protects the interests of consumers.

Mr. Speaker, this is not an earthshaking issue. It is one that is important to people who might find they wanted to make an emergency phone call, and there is an autophone that will not disconnect, as we have seen, or people who do not like being the recipient of material over which they have no control for whatever reason.

Mr. Speaker, the committee has responded to give protection to those people, and it has done it in a very thoughtful and balanced way. This is an important bill, not just for the particular goals it serves, which are valuable in themselves, but as an example of the legislative process at its very best. I thank the members of the committee and the others that are cosponsors of the bill.

Mr. RITTER. Mr. Speaker, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], one of the original drafters of legislation of this type.

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of H.R. 2921, the Telephone Advertising Regulation Act. I would like to commend the distinguished chairman of the subcommittee, Mr. MARKEY, and ranking Republican Mr. RINALDO, for so finely crafting this legislation, which includes the language and intent of my own "Computer Calls" bill, H.R. 2131. This legislation is much-needed and overdue. It ends unsolicited computer-generated telemarketing, and Mr. Speaker, I say none too soon.

In an age where advanced computers and telecommunications become more and more an everyday fact of our lives, these junk calls are absolutely a nuisance and an invasion of privacy, and in the worst cases, dangerous and life threatening! Ma Bell may be turning over in her grave, but with the proliferation of computer calls, and random dialing machines, our own telephones are becoming health hazards!

I know my colleagues would agree that this legislation has strong grass-

root support. I came to this issue because I've been contacted by a number of doctors in my district who have rightly complained that their office emergency lines, usually reserved for especially serious cases, have instead been clogged with unsolicited computer calls.

One of those doctors just happens to be my husband, Dr. Richard W. Roukema, who has threatened not to vote for me next time if I don't see to it that this legislation is passed.

Mr. MARKEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, at a point very early in the consideration of this legislation the gentlewoman from New Jersey [Mrs. ROUKEMA] came to me and told me the story of her husband's protest to the inability of disconnecting junk phone calls coming into the house, especially into a physician's home.

□ 1430

I knew that her husband was a physician, a psychiatrist.

Similarly, when I went home and I repeated to my wife, who is a doctor and a psychiatrist, the complaint of the gentlewoman from New Jersey and her husband, there was an automatic power nexus that had been constructed which I felt was going to absolutely guarantee the passage of this legislation. I believe the gentlewoman's husband deserves a lot of credit for identifying and bringing to your attention and creating momentum for the passage of this legislation, because there was a real live story that epitomized the problems that exist in human relationships with technology no longer serving us, but in fact making it more difficult for humans to serve others. I want to congratulate the gentlewoman and her husband especially for the work she was doing.

Mrs. ROUKEMA. I thank the gentleman. We have had here a little bit of levity, but it is a very serious problem and it was a serious issue in Dr. Roukema's office when the line that is to be reserved only for emergency calls from hospitals or in cases of suicidal patients, when those lines were being held up, and that is the precise nature of the kinds of health hazards that we are talking about here.

I have also been contacted by police and fire officials who have expressed dismay about random phone calls which will not disconnect.

And, if I may share with my colleagues a letter from a constituent which stresses her frustration:

Dear Mrs. Roukema: I've had these calls early in the morning and as late as 9:30 at night. I have had surgery, and while home recuperating these calls were coming in. I volunteer at the hospital on Sunday at the information desk, and when I am there these computer calls are coming in through two phones; one would come and after hanging up it would ring again and again.

That's an excerpt from her letter, and I think my constituent gets to the heart of this problem.

Without question, Mr. Speaker, the most important provision in this bill is the prohibition on computer-generated calls to the emergency phone lines of any hospital, medical physician or service office, health care facility, or fire protection or law enforcement facility. When phone lines to police stations, fire stations, doctors' offices, and hospitals are blocked with tape-recorded plugs for time shares, this matter moves from beyond annoyance to a potentially life-threatening situation. And that must stop.

But it is not only when these calls come to doctors' offices or fire stations that the public faces a dangerous health hazard. If you recall, when I introduced my legislation a year ago, I spoke of a New York mother who tried to call an ambulance for her child who had collapsed, and the sheer terror she went through when she picked up her phone to find it tied up by a computer call that would not disconnect. Thankfully, the child survived—but think of what might have happened. Mr. Speaker, another key component of this bill is the requirement that these computer calls disconnect and free up the telephone line as soon as possible. Anyone who, under this bill, would choose to block their phones to telemarketing computer calls need not worry. But this vital provision protects those people who, even though they may choose to receive computer calls, may still need a free and clear phone line in cases of emergency.

In short, Mr. Speaker, if computers, cellular phones, and global FAX machines are ideas whose time has come, the ban on the nuisance and hazard of random, intrusive, and potentially life-threatening computer-generated sales calls is even more necessary. Let me say that I believe a compelling case can be made to ban all computer-generated telemarketing. But lacking that, this bill is a major step forward in protecting the public. I urge my colleagues to vote for this bill, stand up for privacy, the end of harassment, and most important, health and safety, and put the phone lines back where they belong: in the hands of the people who pay for them!

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. MCMILLEN]. He has been working on this legislation this year with us and been a very valuable Member in constructing this piece of legislation we bring to the House floor today.

Mr. MCMILLEN of Maryland. Mr. Speaker, I too rise in strong support of H.R. 2921. I want to thank the gentleman from Massachusetts [Mr. MARKEY] for his leadership in moving this bill expeditiously through the Subcommittee on Telecommunications and Finance, and through our full committee and onto the floor, I also want to commend the gentleman from Pennsylvania, [Mr. RITTER] for his leadership as well.

Mr. Speaker, today I rise in strong support of H.R. 2921, the Telephone Advertising Regulation Act. This legislation would prevent abusive and dangerous use of automatic dialer recorded message players [ADRMP's]—which automatically dial telephone numbers and play a prerecorded message. H.R. 2921 would prohibit the use of ADRMP's to tie up communications services, and would make illegal the use of ADRMP's in sending "junk fax" to emergency services and to persons and organizations who do not wish to receive these forms of unsolicited advertising.

Mr. Speaker. I believe that this legislation is desperately needed. We have seen an explosion in the last few years in the use of ADRMP's. What originated as an innovative idea, has become an abused practice which hinders the ability of emergency agencies to receive critical information and serves as a nuisance to individuals at home and in the workplace. I believe the chairman of the Telecommunications and Finance Subcommittee has acted expeditiously in moving H.R. 2921 through the Energy and Commerce Committee. And I believe the final legislative product is an excellent one.

I hope to work with Chairman MARKEY in the next few months in ensuring that the FCC promulgate regulations of certain uses of ADRMP's that are not specifically covered in the bill. Abuses of ADRMP's are not limited to just emergency telephones, paging, and cellular, but to other types of answering services such as voice mail. If ADRMP's are to become a legitimate advertising mechanism, we need regulations that will protect the consumer. H.R. 2921 is an important first step in moving us closer to that goal. Therefore, I ask my colleagues to support H.R. 2921.

Mr. RITTER. Mr. Speaker, I have no more requests for time, and I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume only for the purpose of concluding our discussions on this piece of legislation by thanking the gentleman from Pennsylvania [Mr. RITTER] for his leadership on this issue and on every other issue that comes before the Telecommunications and Finance Subcommittee dealing with these issues of technology and their relationship with humanity. As usual, he has done a splendid job in handling this bill out on the floor. It is just a continuation

of the fine job that he does in the committee as well.

I would like to thank the gentleman from New Jersey [Mr. RINALDO] for his work and thank his staff and my staff for their leadership, as well as the gentleman from Michigan [Mr. DINGELL] at the full committee level and his staff in ensuring that we do push forward the toughest possible bill at this time.

We recommend it to the full House at this time as a good piece of legislation that will really help our country.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 2921, as amended.

The question was taken.

Mr. RITTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

EMERGING TELECOMMUNICATIONS TECHNOLOGIES ACT OF 1990

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2965) to require the Secretary of Commerce to make additional frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2965

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 "Emerging Telecommunications Techologies Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

(2) many of such frequencies are underutilized by Government licensees;

(3) the public interest requires that many of such frequencies be utilized more efficiently by government or commercial operators;

(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial carriers or other vendors;

(5) scarcity of assignable frequencies for commercial use can and will—

(A) impede the development and commercialization of new telecommunications products and services;

(B) reduce the capacity and efficiency of the United States' telecommunications systems; and

(C) thereby adversely affect the productive capacity and international competitiveness of the United States economy;

(6) a reassignment of these frequencies can produce significant economic returns; and

(7) the Secretary of Commerce, the President, and the Federal Communications Commission should be directed to take appropriate steps to correct these deficiencies.

SEC. 3. NATIONAL SPECTRUM PLANNING.

(a) PLANNING ACTIVITIES.—The Assistant Secretary for Communications and Information and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues:

(1) the future spectrum requirements for public and private uses;

(2) the spectrum allocation actions necessary to accommodate those uses; and

(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum as a means of increasing commercial access.

(b) REPORTS.—The Assistant Secretary for Communications and Information and the Chairman of the Commission shall submit a joint annual report to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, the Secretary, and the Commission on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities. The first annual report submitted after the date of the report by the private sector advisory committee under section 4(d)(4) shall include an analysis of and response to that committee report.

SEC. 4. IDENTIFICATION OF REALLOCABLE AND SHARED FREQUENCIES.

(a) IDENTIFICATION REQUIRED.—The Secretary shall, within 24 monhts after the date of the enactment of this Act, prepare and submit to the President and the Congress a report identifying, and recommending for reallocation or sharing of, frequencies that—

(1) are assigned to Government stations pursuant to section 305(a) of the Act;

(2) are not required for the present or identifiable future needs of the Government;

(3) it is or will be feasible to make available for use under the Act (other than for Government stations under such section 305);

(4) are most likely to have the greatest potential for commercial uses under the Act; and

(5) will not result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from such commercial uses.

(b) AMOUNT OF SPECTRUM TO BE RECOMMENDED.—

(1) IN GENERAL.—The report required by subsection (a) shall identify, and recommend for reallocation or sharing, bands of frequencies that—

(A) as a goal, span a total of not less than 200 megahertz,

(B) as a required minimum, span a total of not less than 175 megahertz,

(C) are located below 6 gigahertz, and

(D) offer frequencies meeting the criteria specified in paragraphs (1) through (3) of subsection (a).

If the report identifies (as meeting such criteria) bands of frequencies spanning more than 200 megahertz, the report shall identify and recommend for reallocation those bands (spanning not less than 200 megahertz) that meet the criteria specified in paragraph (4) of such subsection.

(2) MIXED USES PERMITTED TO BE COUNTED.—Frequencies which the Secretary's report recommends be partially retained for use by Government stations within geographically limited areas, but which are also recommended to be reallocated to be made available under the Act outside that area, may be counted toward the spectrum required by paragraph (1) of this subsection, except that—

(A) the frequencies counted under this paragraph may not count toward more than 20 percent of the minimum required by paragraph (1) of this subsection; and

(B) a frequency may not be counted under this paragraph unless the geographically limited area for which it will be retained for Government use includes not more than 20 percent of the population of the United States.

(c) CRITERIA FOR IDENTIFICATION.—

(1) NEEDS OF THE GOVERNMENT.—In determining whether a frequency meets the criteria specified in subsection (a)(2), the Secretary shall—

(A) consider whether the frequency is used to provide a communications service that is or could be available from a commercial carrier or other vendor;

(B) seek to promote—

(i) the maximum practicable reliance on commercially available substitutes;

(ii) the sharing of frequencies in geographically separate areas (as permitted under subsection (b)(2));

(iii) the development and use of new communications technologies; and

(iv) the use of nonradiating communications systems where practicable; and

(C) seek to avoid—

(i) serious degradation of government services and operations; and

(ii) excessive costs to the Federal Government and civilian users of Government services.

(2) FEASIBILITY OF USE.—In determining whether a frequency meets the criteria specified in subsection (a)(3) the Secretary shall—

(A) assume such frequencies will be assigned by the Commission under section 303 of the Act over the course of not less than 15 years;

(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

(C) determine the extent to which the reallocation, reassignment, or sharing will relieve actual or potential scarcity of frequencies available for commercial use;

(D) seek to include frequencies which can be used to stimulate the development of new technologies; and

(E) consider the cost to reestablish services displaced by the reallocation of spectrum.

(3) COMMERCIAL USE.—In determining whether a frequency meets the criteria specified in subsection (a)(4), the Secretary shall consider—

(A) the extent to which equipment is available that is capable of utilizing the frequency;

(B) the proximity of frequencies that are already assigned for commercial use; and

(C) the activities of foreign governments in making frequencies available for experi-

mentation or commercial assignment in order to support their domestic manufacturers of equipment.

(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE FREQUENCIES.—

(1) SUBMISSION OF PRELIMINARY IDENTIFICATION TO CONGRESS.—Within 12 months after the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a report which makes a preliminary identification of reallocable or shared frequencies which meet the criteria established by this section.

(2) CONVENING OF PRIVATE SECTOR ADVISORY COMMITTEE.—Not later than the date the Secretary submits the report required by paragraph (1) of this subsection, the Secretary shall convene a private sector advisory committee—

(A) to review the frequencies identified in such report,

(B) to advise the Secretary with respect to the frequencies which should be included in the final report required by subsection (a) of this section,

(C) to receive public comment on the Secretary's report and on the final report, and

(D) to prepare and submit the report required by paragraph (4) of this subsection.

The private sector advisory committee shall meet at least monthly until each of the actions required by section 5(a) have taken place. The Chairman of the Commission and the Assistant Secretary for Communications and Information shall each designate a representative to serve as a liaison with, and to attend meetings of, the advisory committee.

(3) COMPOSITION OF COMMITTEE.—The private sector advisory committee shall be composed of representatives of—

(A) United States manufacturers of spectrum-dependent telecommunications equipment;

(B) commercial carriers;

(C) other users of the electromagnetic spectrum, including radio and television licensees; and

(D) other interested members of the public who are knowledgeable about the uses of the electromagnetic spectrum.

(4) RECOMMENDATIONS ON SPECTRUM ALLOCATION PROCEDURES.—The private sector advisory committee shall, not later than 36 months after the date of the enactment of this Act, submit to the Secretary, the Commission, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Commerce, Science and Transportation of the Senate, a report containing such recommendations as the committee considers appropriate for the reform of the process of allocating the electromagnetic spectrum between civilian and Government use.

SEC. 5. WITHDRAWAL OF ASSIGNMENT TO GOVERNMENT STATIONS.

(a) IN GENERAL.—Within 3 years after receipt of the Secretary's report under section 4(a), the President shall—

(1) withdraw the assignment to a Government station of any frequency which the report recommends for reallocation;

(2) limit the assignment to a Government station of any frequency which the report recommends be made available for mixed use under section 4(b)(2);

(3) assign or reassign other frequencies to Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

(4) transmit a notice and description to the Commission and each House of Congress of the actions taken under this subsection.

(b) EXCEPTIONS.—

(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance described in paragraph (2) exists, the President—

(A) may substitute an alternative frequency or band of frequencies for the frequency or band that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency or band in the manner required by subsection (a); and

(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and other appropriate committees of the Congress.

(2) GROUNDS FOR SUBSTITUTION.—For purposes of paragraph (1), the following circumstances are described in this paragraph:

(A) the reassignment would seriously jeopardize the national defense interests of the United States;

(B) the frequency proposed for reassignment is uniquely suited to meeting important governmental needs;

(C) the reassignment would seriously jeopardize public health or safety; or

(D) the reassignment will result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from commercial uses of the reassigned frequency.

(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified by the report of the Secretary under section 4(a) unless the substituted frequency also meets each of the criteria specified by section 4.

(c) LIMITATION ON DELEGATION.—Notwithstanding any other provision of law, the authorities and duties established by this section may not be delegated.

SEC. 6. DISTRIBUTION OF FREQUENCIES BY THE COMMISSION.

Not later than one year after the President notifies the Commission pursuant to section 5(a)(4), the Commission shall prepare and submit to the President and the Congress a plan for the distribution under the Act of the frequencies reallocated pursuant to the requirements of this Act. Such plan shall—

(1) not propose the immediate distribution of all such frequencies, but shall—

(A) gradually distribute the frequencies remaining, after making the reservation required by subparagraph (B), over the course of a period of not less than 10 years beginning on the date of submission of such plan; and

(B) reserve a significant portion of such frequencies for distribution beginning after the end of such 10-year period;

(2) contain appropriate provisions to ensure—

(A) the availability of frequencies for new technologies and services in accordance with the policies of section 7 of the Act; and

(B) the availability of frequencies to stimulate the development of such technologies;

(3) address (A) the feasibility of reallocating private sector spectrum from current uses to provide for more efficient use of the spectrum, and (B) innovation and marketplace developments that may affect the relative efficiencies of different spectrum allocations.

SEC. 7. AUTHORITY TO RECOVER REASSIGNED FREQUENCIES.

(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Government stations pursuant to section 5, the President may reclaim reassigned frequencies for reassignment to Government stations in accordance with this section.

(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 5(b) of this Act.

(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 5(b) of this Act, except that the notification required by section 5(b)(1)(A) shall include—

(A) a timetable to accommodate an orderly transition for licensees to obtain new frequencies and equipment necessary for its utilization; and

(B) an estimate of the cost of displacing commercial licensees.

(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Government of the United States shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unuseable, the cost of relocating operations to a different frequency, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under section 706 of the Act.

SEC. 8. DEFINITIONS.

As used in this Act:

(1) The term "Secretary" means the Secretary of Commerce.

(2) The term "Commission" means the Federal Communications Commission.

(3) The term "the Act" means the Communications Act of 1934.

(4) The term "commercial carrier" means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Government stations licensed pursuant to section 305.

(5) The term "allocation" means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

(6) The term "assignment" means an authorization given to a station licensee to use specific frequencies or channels.

The SPEAKER pro tempore. Is a second demanded?

Mr. RITTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. RITTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

□ 1440

Mr. MARKEY. Mr. Speaker, I yield such time as I may consume.

Mr. Speaker, the legislation which we have before us today, the Emerging Telecommunications Technologies Act of 1990, is one of the most important pieces of legislation which will be considered by the U.S. Congress this year. What it would require is for the Secretary of Commerce to identify 20 megahertz of radio spectrum and to transfer it from Government use over to civilian commercial application.

Now, why is it so important?

The cellular industry provides a dramatic example of the economic benefits we can realize by releasing spectrum for commercial development. In 1968, the Government relinquished approximately 50 megahertz of the spectrum for cellular services. Today, the cellular industry is a $4.5 billion industry serving more than 3½ million subscribers.

Today we are asking the Secretary of Commerce to take 200 megahertz of the spectrum and transfer it over in a way which makes sense for the long-term optimization of commercial utilization of the spectrum in our country.

This could potentially result in between 15 and 20 billion dollars' worth of commercial activity which would be generated by this particular redistribution.

In a way, this is a peace dividend; it is something that comes to our country as a byproduct of the ending of the ending of the cold war. We clearly do not have to allocate as much of the spectrum as we have had to over the last 40 to 45 years to the discretion of all of these Government agencies.

It clearly will not take as much spectrum, for example, to monitor arms control agreements as it did the massing of hundreds of thousands of troops, missiles, tanks along a very narrow border in the Eastern European arena.

Mr. Speaker, this is an important bill. It is something that will unfold slowly over the next 5 and 10 years, but inevitably and inexorably will result in giving opportunities to American entrepreneurs, to American corporations to play a large role in the development of technologies which will be key to the world's civilization in the 21st century.

If we do not make these kinds of decisions, we are going to wind up in a situation where the Germans, the French, and the Japanese have made the allocations, have given the incentives for entrepreneurs to invest in new technologies because spectrum is available in their countries, and in the end, we will wind up as net consumers of these products rather than as the exporters, rather than as the base for these technologies into the 21st century.

It is my hope that we can be successful as a result in pushing in this legislation through here today.

Mr. Speaker, the chairman of our full committee, the gentleman from Michigan [Mr. DINGELL], identified this subject as a subject for this personal attention more than 1½ years ago. Since that time, we have had a series of hearings in the Subcommittee on Telecommunications and Finance, reflecting the interest which the full committee Chair has had in the subject.

The product which we bring to you today is one which has resulted from a bipartisan consensus developed on our committee, majority and minority, liberal and conservative, that has basically ratified the fundamental decision made by the full committee chairman 1½ years ago.

I hope that the full Congress today, as a result, would accept this product. The Congressman from New Jersey, MATT RINALDO, ranking minority member of the subcommittee, has played a vital role in insuring that any compromises that had to be achieved would be done in a nonacrimonious and nonbitter environment. We have done this as Americans, moving forward, trying to capture opportunities that we can place in front of entrepreneurs in our country that will ultimately inure to the benefit of all American citizens.

Mr. Speaker, my hope is that, as a result, the full House will accept this piece of legislation today.

Mr. Speaker, I reserve the balance of my time.

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2965, the Emerging Telecommunications Technologies Act.

In the 20th century, communications has become the most important influence on our lives. Communications technologies have transformed the way we work—from cellular phones and the pagers used by Members of Congress, to fax machines.

Yesterday's novelty quickly becomes tomorrow's necessity when it comes to communications technology.

All resources are scarce, and the radio spectrum is no exception. As the spectrum becomes crowded with existing communications technologies, it becomes impossible for new systems to find the room to start and to grow. This may make us as a nation unable to adapt our communications systems to changing times and technologies, and stunt our future economic growth and competitiveness.

To avoid that kind of stagnation, we've got to do everything we can to make sure that commercial radio spectrum is used as efficiently as possible. Competition can play a big role in guaranteeing efficient spectrum use.

Of course, much of the radio spectrum is used by the Government, not just by private interests. The Government doesn't have a competitive spur to make their spectrum use efficient. So we've got to balance legitimate Government needs with the spectrum demands of commercial users in some other way.

This legislation is the first step in that process. It should ultimately force greater spectrum coordination by the Government and more efficient spectrum use by Government agencies and the military.

The bill's approach is a commonsense one. It directs NTIA, as the Government's spectrum coordinator, to study Government spectrum uses and identify spectrum that can be turned over to commercial uses. The FCC may then allocate that spectrum for whatever new uses it sees fit.

This spectrum could be used to expand existing technologies, or to establish new ones. But this legislation will greatly benefit us all by easing the overcrowding that now plagues all our communications technologies. It will also provide new communications technologies the ability to move from curiosity to necessity. That is what will keep our communications networks state of the art in the increasingly competitive global economy.

We also struck language from the original bill which prohibited spectrum auctions on newly allocated frequencies. Given the administration's interest in spectrum auctions, this change is absolutely necessary if this bill is to become law. The committee is taking no position on spectrum auctions with this legislation. The bill does not change existing law in any way.

The committee also made numerous improvements in the spectrum coordination plan proposed in the original legislation. Also, we have met with the administration on two separate occasions, and we incorporated a variety of their suggestions.

I want to commend the gentleman from Michigan [Mr. DINGELL], the chairman of the Energy and Commerce Committee, for his leadership on this important issue. Both he and the gentleman from Massachusetts [Mr. MARKEY], the chairman of the Telecommunications Subcommittee, should be commended for the time

and effort they have put into this issue. It is not the most glamorous issue, but it is one of the most important long-range issues we face. Hopefully, this bill will make a difference for many years to come.

The committee also appreciate's the administration's interest and willingness to work cooperatively on this legislation. We look forward to working with them to implement the goals of the bill.

I urge the House to support H.R. 2965, the Emerging Telecommunications Technologies Act.

□ 1450

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the chairman of the Committee on Energy and Commerce and the principal author of this legislation, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I commend my good friend, the gentleman from Massachusetts [Mr. MARKEY], the chairman of the subcommittee not only for the kindness in making this time available to me but also for the remarkable leadership which he is providing to the House and the committee on these and other matters. I would also like to pay tribute to the gentleman from Massachusetts [Mr. MARKEY] for the fine leadership, as I have indicated, that he has given here. Also the gentleman from Pennsylvania [Mr. RITTER] who is always interested in matters of this kind, as well as the ranking minority members, the gentleman from New Jersey [Mr. RINALDO] and the gentleman from Illinois [Mr. MADIGAN], as well as the ranking minority member, the gentleman from New York [Mr. LENT], and my good friend and colleague, the gentleman from Washington [Mr. SWIFT], who has great interest in all telecommunication matters.

Mr. Speaker, I rise in strong support of H.R. 2965, the Emerging Telecommunications Technologies Act of 1990.

This bill has been drafted to meet our Nation's spectrum needs well into the next century. The Federal Communications Commission currently has no frequencies available to allocate for new technologies. Yet technological innovation continues. New uses for spectrum are being developed—uses which will alleviate existing congestion, as well as bring new services to the American public. Unless we act, the FCC will be unable to accommodate these new applications—and the American public will be the loser.

Without the spectrum that this legislation would make available, our telecommunications industries will lose their leadership position. Manufacturing will migrate offshore, as will thousands of jobs. American consumers will not have access to products and services that will be available in other countries. Passage of H.R. 2965 is critical to prevent this erosion of our leadership in spectrum-dependent technologies.

Mr. Speaker, the manner in which the Government makes it own spectrum allocation decisions is outmoded, inefficient, and contrary to the best interests of the United States. The radio spectrum is a finite natural resource, which must be managed and husbanded carefully. Its bifurcated management by the Commerce Department and the FCC leads to inefficient use, and prevents a rational management scheme from being implemented.

For a brief time, the current system may have made sense. From 1924 to 1927, when Herbert Hoover ran the Commerce Department, Government and commercial spectrum management decisions were made by a single individual—the Secretary of Commerce. The IRAC—the Inter-agency Radio Advisory Committee—advised the Secretary. Coordination was easy.

But in 1927, Congress created the Federal Radio Commission. Its duties were assumed by the FCC in 1934. And since 1927, the radio spectrum has been managed by two managers, with no requirement for joint planning or coordination.

Not only is the overall management of the spectrum inefficient. Within the Government, spectrum decisions are made in the dark. There is no public record. There is no process to guarantee that spectrum decisions lead to the highest and best use. There is simply a decision, and frequently that decision itself is withheld from the American people.

Mr. Speaker, this cannot continue. In the early days of radio, the role of the Government was simply to prevent interference. Today, spectrum managers allocate scarcity.

H.R. 2965 addresses these problems. It compensates for past inefficiency by allocating 200 megahertz to the FCC for commercial assignment. It requires the FCC and the Commerce Department to conduct joint planning activities—and to report to the Congress. Finally, it establishes a high level advisory committee to address the long-term problem created by the current bifurcated management scheme.

Mr. Speaker, H.R. 2965 is one of the most important initiatives for our long-term economic prosperity to come before the House. It ensures that our children and grandchildren will enjoy the same benefits from new technologies that have benefited our economy and all of us. I urge my colleagues to support this bill, and give American industry the spectrum it needs to stay in the forefront of technological development.

Mr. RITTER. Mr. Speaker, I yield myself an additional 3 minutes.

Mr. Speaker, I would like to commend the gentleman from Michigan [Mr. DINGELL], the chairman of our committee, for his judicious leadership on this issue. It is one of those quiet but extremely important issues.

For those unimpressed by the 200 megahertz figure, let me put it in perspective. An average television station uses only 6 megahertz of spectrum. An average cellular telephone system uses 25 megahertz. The entire FM band is only 20 megahertz. These technologies I just mentioned use spectrum on a local basis. This bill would free up 200 megahertz on a national basis.

There is no doubt that we are running out of room in the usable radio spectrum. The usable radio spectrum is finite. Private industry is doing its best to implement spectrum management techniques. Some of these spectrum saving technologies include multiplexing, trunking, digital compression, and the increased ability to transmit information over fiber optic cable. However, Government users have not been forced to conserve spectrum. There is no mandate that the Government must use the spectrum efficiently. By removing 200 megahertz of spectrum from the Government to private use, will force the Government users to be as efficient as their private industry counterparts.

More importantly, perhaps, this bill will allow for new technologies to be developed. One of the technologies that may need additional spectrum is high definition television. In order to make HDTV and high resolution systems commercially viable, there must be a way to transmit the HDTV signal to homes. Many benefits will be recognized from the commercial viability of HDTV. Improved medical diagnosis from a distant clinic, of a fiber optic transmission of a high resolution x-ray will make vast improvements in the medical sciences. The ability of a business to send three dimensional high resolution designs to a manufacturer will help American businesses be competitive on the international market.

HDTV is not the only new technology that requires additional spectrum. Other technologies, such as nationwide digital cellular telephones and air-to-ground telephones are currently running up against a spectrum shortage barrier. So that the next generation of telecommunications technology has a chance to blossom, we need to make additional spectrum available.

Mr. Speaker, once again I would like to commend the leadership of the chairman of the full Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], and also commend the subcommittee chairman, the gentleman from Massachusetts [Mr. MARKEY], and our ranking member, the gentleman from New

Jersey [Mr. RINALDO], for their leadership in this area.

Mr. Speaker, I yield 5 minutes to the ranking member of the Subcommittee on Telecommunications and Finance, the gentleman from New Jersey [Mr. RINALDO].

Mr. RINALDO. Mr. Speaker, the primary role of Congress in the communications field is to preserve and stimulate competition and innovation wherever possible—not to pick and choose between technologies. We can only do that by making our scarce radio spectrum available for as many different uses as possible, and by making sure that it is used efficiently.

Unfortunately, the radio spectrum is beginning to burst at the seams. There's serious overcrowding in many established services, and not enough spectrum for many new uses, including high definition TV.

The Emerging Telecommunications Technologies Act, which the House has before it today, will be a great step forward in realizing the twin goals of spectrum availability and spectrum efficiency.

For years, the Government has championed policies designed to promote efficient spectrum use. This bill requires the Government to practice what it preaches, and turn over the spectrum it doesn't use for private uses wherever possible. No more, no less.

The Government has a multitude of legitimate spectrum uses that we must continue to provide for. But the Government also should be required to justify its existing uses. In the absence of competition, spectrum policies must serve as a lever to force Government uses to be as efficient as possible.

We all know the commercial potential of new communications technologies will be essential to our economy as we move into the next century. Without spectrum allocation and assignment policies which force efficiency and encourage innovation, our communications systems will become even more congested and frozen into obsolete technologies.

So we must make sure now that our spectrum planning and coordination policies give us the biggest communications "bang for the buck" in the fiercely competitive global economy. That is what this legislation is trying to achieve. It is an important first step in changing how spectrum—the raw materials of communications—is parceled out and used in this country.

This bill should serve as a catalyst to push the Commerce Department and the FCC to improve their spectrum coordination and assignment policies as quickly as possible consistent with their recognized roles.

The legislation, as amended by the committee, also struck language from the original bill which prohibited spectrum auctions on newly allocated frequencies. Given the administration's interest in spectrum auctions, this change is absolutely necessary if this bill is to become law. The committee is taking no position on spectrum auctions with this legislation. The bill does not change existing law in any way.

The committee also made numerous improvements in the spectrum coordination plan proposed in the original legislation. Also, we have met with the administration on two separate occasions, and incorporates a variety of suggestions which should lessen their opposition to the legislation.

Finally, I want to commend the gentleman from Michigan [Mr. DINGELL], the chairman of the Energy and Commerce Committee, for his leadership on this important issue. The gentleman from Massachusetts [Mr. MARKEY], the chairman of the Telecommunications Subcommittee, should be commended for the time and effort he has put into this issue. It is not the most glamorous issue, but it is one of the most important long-range issues we face. Hopefully, this bill will make a difference for many years to come.

I urge all Members of the House to support H.R. 2965 today.

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Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take this time only for the purpose of noting that we are working very closely with the administration and all agencies to ensure that there is minimal disruption on the Government's side as we are mandating this reallocation of resources to civilian use. It is our highest goal to insure that that coordination and cooperation be the hallmark of this transition into an area where we can more usefully employ the spectrum on this limited basis for commercial use for our country's long-term economic growth, as we have in the past in this monitoring of cold war activities and other governmental purposes which now have thankfully been reduced. I would just like to note that we promise our ongoing cooperation with the administration to attain this goal.

Mr. Speaker, I have no other speakers on our side, but before I yield back the balance of my time I would like to thank Terry Haines, the counsel for the minority, for his great work; David Leach of our full committee staff working on this issue; Peter Wade and Steve Cope from legislative counsel, who have done an excellent job as usual; Herb Brown; and Gerry Salemme, who was the lead staff person on this issue at the subcommittee level. And on his last day, his final day on our staff, I would thank Kevin Joseph, who is going on to law school but who has been working on this legislation for the past year.

In conclusion, Mr. Speaker, one more time I would like to thank our committee chairman, the gentleman from Michigan [Mr. DINGELL], for introducing the legislation. I think this is going to be a monumental contribution to American telecommunications policy.

Mr. RITTER. Mr. Speaker, having no additional speakers, I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 2965, as amended.

The question was taken.

Mr. RITTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2965, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL HEALTH SERVICE CORPS REVITALIZATION AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4487) to amend the Public Health Service Act to revise and extend the program for the National Health Service Corps and to establish a program of grants to the States with respect to offices of rural health, as amended.

The Clerk read as follows:

H.R. 4487

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 "National Health Service Corps Revitalization Amendments of 1990".

TITLE I—REVISIONS IN GENERAL PROGRAM FOR NATIONAL HEALTH SERVICE CORPS

SEC. 101. NATIONAL HEALTH SERVICE CORPS.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—Section 331(a) of the Public Health Service Act (42 U.S.C. 254d(a)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1)—

(A) by inserting "(1)" after the subsection designation; and

(B) by striking "There is" and all that follows and inserting the following: "For the purpose of eliminating health manpower shortages in health manpower shortage areas, there is established, within the Service, the National Health Service Corps, which shall consist of—";

(2) by striking "States," at the end of paragraph (1)(C) and all that follows and inserting "States."; and

(3) by adding at the end the following new paragraphs:

"(2) The Corps shall be utilized by the Secretary to provide primary health services in health manpower shortage areas.

"(3) For purposes of this subpart and subpart III:

"(A) The term 'Corps' means the National Health Service Corps.

"(B) The term 'Corps member' means each of the officers, employees, and individuals of which the Corps consists pursuant to paragraph (1).

"(C) The term 'health manpower shortage area' has the meaning given such term in section 332(a).

"(D) The term 'primary health services' means health services regarding family medicine, internal medicine, pediatrics, obstetrics and gynecology, dentistry, or mental health, that are provided by physicians or other health professionals.".

(b) REMOVAL OF LIMITATION REGARDING SUPPLEMENTAL PAY DURING INITIAL YEARS OF SERVICE.—Section 331(d)(1)(A) of the Public Health Service Act (42 U.S.C. 254d(d)(1)(A)) is amended by striking "(not to exceed $1,000)".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REGARDING ADDITIONAL PROVISIONS ON PRIORITY.—Section 331 of the Public Health Service Act (42 U.S.C. 254d) is amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(2) REGARDING DEFINITIONS.—Section 331(h) of the Public Health Service Act, as redesignated by paragraph (1) of this subsection, is amended in the matter preceding paragraph (1) by inserting "and subpart III" before the colon.

SEC. 102. DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS.

(a) PUBLICATION OF DESIGNATIONS AND REVISIONS.—Section 332(d) of the Public Health Service Act (42 U.S.C. 254e(d)) is amended by inserting "(1)" after the subsection designation and by adding at the end the following new paragraph:

"(2) For purposes of paragraph (1), a complete descriptive list shall be published in the Federal Register not later than July 1 of 1991 and each subsequent year.".

(b) DEFINITION OF MEDICAL FACILITY.—Section 332(a)(2) of the Public Health Service Act (42 U.S.C. 254e(a)(2)) is amended—

(1) in subparagraph (A), by inserting before "and community health center" the following: "facility operated by a city or county health department,";

(2) in subparagraph (B), by inserting before the semicolon the following: ", and a health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act"; and

(3) in subparagraph (C)—

(A) by striking "sections 321" and inserting "section 321", by striking "or" before "326", and by striking "or section 320" and inserting "320"; and

(B) by inserting before the semicolon at the end the following: ", or 340 (relating to the provision of health services to homeless individuals)".

(c) REMOVAL OF SUPERFLUOUS REFERENCES.—Section 332 of the Public Health Service Act (42 U.S.C. 254e) is amended—

(1) in subsection (b), in the first sentence of the matter preceding paragraph (1), by striking ", promulgated not later than May 1, 1977,";

(2) in subsection (c), by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in subsection (d)(1) (as designated by subsection (a) of this section), by striking ", not later than November 1, 1977,"; and

(4) in subsection (f), by inserting "and" after the semicolon at the end of paragraph (1), and by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 103. ASSIGNMENT OF CORPS PERSONNEL.

(a) REQUIREMENT OF APPROPRIATE AND EFFICIENT USE OF CURRENT PERSONNEL AS CONDITION OF RECEIVING FURTHER PERSONNEL.—Section 333(a)(1)(D)(ii)(II) of the Public Health Service Act (42 U.S.C. 254f(a)(1)(D)(ii)(II)) is amended—

(1) by striking "will be" and inserting "has been"; and

(2) by inserting "any" before "Corps".

(b) TECHNICAL AND CONFORMING AMENDMENTS REGARDING ADDITIONAL PROVISIONS ON PRIORITY AND ON EFFECTIVE SERVICE OF PERSONNEL.—Section 333 of the Public Health Service Act (42 U.S.C. 254f) is amended—

(1) by striking subsections (b), (c), (f), (h), (j), and (k); and

(2) by redesignating subsections (d), (e), (g), and (i) as subsections (b), (c), (d), and (e), respectively.

SEC. 104. PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL.

Subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.) is amended by inserting after section 333 the following new section:

"SEC. 333A. PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL.

"(a) IN GENERAL.—In approving applications made under section 333 for the assignment of Corps members, the Secretary shall—

"(1) give priority to any such application that—

"(A) is made regarding the provision of primary health services to a health manpower shortage area with the greatest such shortage, as determined in accordance with subsection (b); and

"(B) is made by an entity that—

"(i) serves a health manpower shortage area described in subparagraph (A);

"(ii) coordinates the delivery of primary health services with related health and social services;

"(iii) has a documented record of sound fiscal management; and

"(iv) will experience a negative impact on its capacity to provide primary health services if a Corps member is not assigned to the entity;

"(2) with respect to the geographic area in which the health manpower shortage area is located, take into consideration the willingness of individuals in the geographic area, and of the appropriate governmental agencies or health entities in the area, to assist and cooperate with the Corps in providing effective primary health services; and

"(3) take into consideration comments of medical, osteopathic, dental, or other health professional societies whose members deliver services to the health manpower shortage area, or if no such societies exist, comments of physicians, dentists, or other health professionals delivering services to the area.

"(b) EXCLUSIVE FACTORS FOR DETERMINING GREATEST SHORTAGES.—In making a determination under subsection (a)(1)(A) of the health manpower shortage areas with the greatest such shortages, the Secretary may consider only the following factors:

"(1) The ratio of available health manpower to the number of individuals in the area or population group involved, or served by the medical facility or other public facility involved.

"(2) Indicators of need as follows:

"(A) The rate of low birthweight births.

"(B) The rate of infant mortality.

"(C) The rate of poverty.

"(D) Access to primary health services, taking into account the distance to such services.

"(c) ESTABLISHMENT OF CRITERIA FOR DETERMINING PRIORITIES.—

"(1) IN GENERAL.—The Secretary shall establish criteria specifying the manner in which the Secretary makes a determination under subsection (a)(1)(A) of the health manpower shortage areas with the greatest such shortages. Such criteria shall specify the manner in which the factors described in subsection (b) are implemented regarding such a determination.

"(2) PUBLICATION OF CRITERIA.—The criteria required in paragraph (1) shall be published in the Federal Register not later than July 1, 1991. Any revisions made in the criteria by the Secretary shall be effective upon publication in the Federal Register.

"(d) NOTIFICATIONS REGARDING PRIORITIES.—

"(1) PREPARATION OF LIST FOR APPLICABLE PERIOD.—For the purpose of carrying out paragraph (2), the Secretary shall prepare a list of health manpower shortage areas that are receiving priority under subsection (a)(1) in the assignment of Corps members for the period applicable under subsection (f). Such list—

"(A) shall include a specification, for each such health manpower shortage area, of the entities for which the Secretary has provided an authorization to receive assignments of Corps members in the event that Corps members are available for the assignments; and

"(B) shall, of the entities for which an authorization described in subparagraph (A) has been provided, specify—

"(i) the entities provided such an authorization for the assignment of Corps members who are participating in the Scholarship Program;

"(ii) the entities provided such an authorization for the assignment of Corps members who are participating in the Loan Repayment Program; and

"(iii) the entities provided such an authorization for the assignment of Corps members who have become Corps members other than pursuant to contractual obligations under the Scholarship or Loan Repayment Programs.

The Secretary may set forth such specifications by medical specialty.

"(2) NOTIFICATION OF AFFECTED PARTIES.—

"(A) Not later than 30 days after the preparation of each list under paragraph (1), the Secretary shall notify entities specified for purposes of subparagraph (A) of such paragraph of the fact that the entities have been provided an authorization to receive assignments of Corps members in the event that Corps members are available for the assignments.

"(B) In the case of individuals with respect to whom a period of obligated service

under the Scholarship Program will begin during the period under subsection (f) for which a list under paragraph (1) is prepared, the Secretary shall, not later than 30 days after the preparation of each such list, provide to such individuals the names of each of the entities specified for purposes of paragraph (1)(B)(i) that is appropriate to the medical specialty of the individuals.

"(3) REVISIONS IN LIST.—If the Secretary makes a revision in a list under paragraph (1) during the period under subsection (f) to which the list is applicable, and the revision alters the status of an entity with respect to the list, the Secretary shall notify the entity of the effect on the entity of the revision. Such notification shall be provided not later than 30 days after the date on which the revision is made.

"(e) LIMITATION ON NUMBER OF ENTITIES OFFERED AS ASSIGNMENT CHOICES IN SCHOLARSHIP PROGRAM.—

"(1) DETERMINATION OF AVAILABLE CORPS MEMBERS.—The Secretary shall determine the number of participants in the Scholarship Program who are available for assignments under section 333 for the period applicable under subsection (f).

"(2) AVAILABILITY OF 500 OR FEWER MEMBERS.—If the number of participants for purposes of paragraph (1) is less than 500, the Secretary shall limit the number of entities specified under subsection (d)(1)(B)(i) to the lesser of—

"(A) 500 such entities; and

"(B) a number of such entities constituting 300 percent of the number of such participants available for assignment under section 333.

"(3) AVAILABILITY OF MORE THAN 500 MEMBERS.—If the number of participants for purposes of paragraph (1) is equal to or greater than 500, the Secretary shall determine the number of entities to be specified under subsection (d)(1)(B)(i), subject to ensuring that assignments of such participants are made to 500 entities that serve health manpower shortage areas that have chronic difficulty in recruiting and retaining health professionals to provide primary health services.

"(4) ADJUSTMENT IN BASE NUMBER.—The number 500, as used for purposes of paragraphs (2) and (3), may by regulation be adjusted by the Secretary to a greater or a lesser number.

"(f) APPLICABLE PERIOD REGARDING PRIORITIES.—

"(1) IN GENERAL.—With respect to determinations under subsection (a)(1) of the applications that are to be given priority regarding the assignment of Corps members, the Secretary shall make such a determination not less than once each fiscal year. The first determination shall be made not later than July 1 of the year preceding the year in which the period of obligated service begins. If the Secretary revises the determination before July 1 of the following year, the revised determination shall be applicable with respect to assignments of Corps members made during the period beginning on the date of the issuance of the revised determination and ending on July 1 of such year.

"(2) DATE CERTAIN FOR PREPARATION OF NOTIFICATION LIST.—A list under subsection (d)(1) shall be prepared for each of the periods decribed in paragraph (1). Each such list shall be prepared not later than the date on which a determination of priorities under such paragraph is required to be made for the period involved.".

SEC. 105. COST SHARING.

Section 334(f)(2) of the Public Health Service Act (42 U.S.C. 254g(f)(2)) is amended by adding at the end the following new subparagraph:

"(C)(i) A determination under subparagraph (B) regarding the revenues and costs of an entity in an annual period shall be made by the Secretary utilizing criteria specific to the entity and shall be made without regard to whether the entity is making progress toward collecting sufficient revenues to provide an adequate level of primary health services without the assignment of Corps members.

"(ii) In making a determination referred to in clause (i)—

"(I) the Secretary may consider whether the proposed budget submitted under subparagraph (A) provides a reasonable estimate regarding the revenues and costs of the entity; and

"(II) may not consider the reasonableness of the amount of revenues collected, or the amount of costs incurred by the entity, except to the extent necessary to ensure that the entity is operating in good faith and is operating efficiently with respect to fiscal matters within the control of the entity.

"(iii) A determination of whether an entity is eligible for a waiver under paragraph (3) shall be made by the Secretary without regard to the revenues and costs determined by the Secretary under subparagraph (B).

"(iv) A determination of whether an entity is a small health center shall be made by the Secretary without regard to the revenues and costs determined by the Secretary under subparagraph (B).".

SEC. 106. PROVISIONS REGARDING EFFECTIVE PROVISION OF SERVICES.

Section 336 of the Public Health Service Act (42 U.S.C. 254h-1) is amended to read as follows:

"SEC. 336. FACILITATION OF EFFECTIVE PROVISION OF CORPS SERVICES.

"(a) CONSIDERATION OF INDIVIDUAL CHARACTERISTICS OF MEMBERS IN MAKING ASSIGNMENTS.—In making an assignment of a Corps member to an entity that has had an application approved under section 333, the Secretary shall seek to assign to the entity a Corps member who has (and whose spouse, if any, has) characteristics that increase the probability that the member will remain in the health manpower shortage area involved after the completion of the period of service in the Corps.

"(b) COUNSELING ON SERVICE IN CORPS.—

"(1) IN GENERAL.—The Secretary shall, subject to paragraph (3), offer appropriate counseling on service in the Corps to individuals during the period of membership in the Corps, particularly during the initial period of each assignment.

"(2) COUNSELING ON OBLIGATED SERVICE.—

"(A) In the case of individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, counseling under paragraph (1) shall include appropriate counseling on matters particular to such obligated service.

"(B) With respect to the Scholarship Program, counseling under paragraph (1) shall include counseling individuals during the period in which the individuals are pursuing an educational degree in the health profession involved, including counseling to prepare the individual for service in the Corps.

"(3) EXTENT OF COUNSELING SERVICES.—With respect to individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, this subsection shall be carried out regarding such individuals throughout the period of obligated service (and, additionally, throughout the period specified in paragraph (2)(B), in the case of the Scholarship Program). With respect to Corps members generally, this subsection shall be carried out to the extent practicable.

"(c) GRANTS FOR PROGRAMS REGARDING PREPARATION FOR PRACTICE.—With respect to individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, the Secretary may make grants to, and enter into contracts with, public and nonprofit private entities for the conduct of programs designed to prepare such individuals for the effective provision of primary health services in the health manpower shortage areas to which the individuals are assigned.

"(d) ASSISTANCE IN ESTABLISHING LOCAL PROFESSIONAL RELATIONSHIPS.—The Secretary shall assist Corps members in establishing appropriate professional relationships between the Corps member involved and the health professions community of the geographic area with respect to which the member is assigned, including such relationships with hospitals, with health professions schools, with area health education centers under section 781, with health education and training centers under such section, and with border health education and training centers under such section.

"(e) TEMPORARY RELIEF FROM CORPS DUTIES.—

"(1) IN GENERAL.—The Secretary shall, subject to paragraph (4), provide assistance to Corps members in establishing arrangements through which Corps members may, as appropriate, be provided temporary relief from duties in the Corps in order to pursue continuing education in the health professions or to pursue other interests, including vacations.

"(2) ASSUMPTION OF DUTIES OF MEMBER.—Temporary relief under paragraph (1) may be provided only if the duties of the Corps member involved are assumed by another health professional. Such duties may be assumed by health professionals who are not Corps members, if the Secretary approves the professionals for such purpose. Any health professional so approved by the Secretary shall, during the period of providing such temporary relief, be deemed to be a Corps member for purposes of section 224 (including for purposes of the remedy described in such section), section 333(f), and section 335(e).

"(3) RECRUITMENT FROM GENERAL HEALTH PROFESSIONS COMMUNITY.—In carrying out paragraph (1), the Secretary shall—

"(A) encourage health professionals who are not Corps members to enter into arrangements under which the health professionals temporarily assume the duties of Corps members for purposes of paragraph (1); and

"(B) with respect to the entities to which Corps members have been assigned under section 333, encourage the entities to facilitate the development of arrangements described in subparagraph (A).

"(4) LIMITATION.—In carrying out paragraph (1), the Secretary may not, except as provided in paragraph (5), obligate any amounts (other than for incidental expenses) for the purpose of—

"(A) compensating a health professional who is not a Corps member for assuming the duties of a Corps member; or

"(B) paying the costs of continuing education, a vacation, or other interests that a Corps member may pursue during the period of temporary relief under such paragraph.

"(5) SOLE PROVIDERS OF HEALTH SERVICES.—In the case of any Corps member who is the sole provider of health services in the geographic area involved, the Secretary may, from amounts appropriated under section 338, obligate on behalf of the member such sums as the Secretary determines to be necessary for purposes of providing temporary relief under paragraph (1).

"(f) DETERMINATIONS REGARDING EFFECTIVE SERVICE.—In carrying out subsection (a) and sections 338A(d) and 338B(d), the Secretary shall carry out activities to determine—

"(1) the characteristics of physicians, dentists, and other health professionals who are more likely to remain in practice in health manpower shortage areas after the completion of the period of service in the Corps;

"(2) the characteristics of health manpower shortage areas, and of entities seeking assignments of Corps members, that are more likely to retain Corps members after the members have completed the period of service in the Corps; and

"(3) the appropriate conditions for the assignment and utilization in health manpower shortage areas of certified nurse practitioners, certified nurse midwives, and physician assistants.".

SEC. 107. NATIONAL ADVISORY COUNCIL.

Section 337(a) of the Public Health Service Act (42 U.S.C. 254j(a)) is amended—

(1) by striking the second sentence; and

(2) by inserting "(1)" after the subsection designation, and adding at the end the following new paragraph:

"(2) The Council shall be composed of 15 members appointed by the Secretary. Of such members—

"(A) 1 shall be a Corps member who is providing obligated service pursuant to the Scholarship Program;

"(B) 1 shall be a Corps member who is providing obligated service pursuant to the Loan Repayment Program;

"(C) 1 shall be a resident of a frontier area;

"(D) 1 shall be a resident of a rural area other than a frontier area;

"(E) 1 shall be a resident of an urban area;

"(F) 1 shall be a physician assistant;

"(G) 1 shall be a certified nurse practitioner;

"(H) 1 shall be a certified nurse midwife;

"(I) 1 shall be a family practitioner;

"(J) 1 shall be a physician practicing obstetrics and gynecology;

"(K) 1 shall be a pediatrician; and

"(L) 1 shall be a physician practicing internal medicine.".

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

Section 338(a) of the Public Health Service Act (42 U.S.C. 254k) is amended by striking "To carry " and all that follows and inserting the following: "For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 2000.".

TITLE II—SCHOLARSHIP AND LOAN REPAYMENT PROGRAMS OF NATIONAL HEALTH SERVICE CORPS

SEC. 201. SCHOLARSHIP PROGRAM.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—

(1) IN GENERAL.—Section 338A(a) of the Public Health Service Act (42 U.S.C. 254*l*(a)) is amended by striking "Corps Scholarship" and all that follows and inserting the following: "Corps Scholarship Program to assure, with respect to the provision of primary health services pursuant to section 331(a)(2)—

"(1) an adequate supply of physicians, dentists, certified nurse midwives, certified nurse practitioners, and physician assistants; and

"(2) if needed by the Corps, an adequate supply of other health professionals.".

(2) SCHOLARSHIP CONTRACT.—Section 338A(f)(1)(B)(iv) of the Public Health Service Act (42 U.S.C. 254*l*(f)(1)(B)(iv)) is amended in the matter after and below subclause (II) by inserting "as a provider of primary health services" before "in a health manpower shortage area".

(b) PRIORITY IN AWARDING SCHOLARSHIPS.—Section 338A(d) of the Public Health Service Act (42 U.S.C. 254*l*(d)) is amended to read as follows:

"(d) In providing contracts under the Scholarship Program, the Secretary shall give priority—

"(1) first, to any application for such a contract submitted by an individual who has previously received a scholarship under this section or under section 758; and

"(2) second, to any application for such a contract submitted by an individual who has characteristics that increase the probability that the individual will continue to serve in a health manpower shortage area after the period of obligated service pursuant to subsection (f) is completed.".

(c) REPORTS TO CONGRESS.—Section 338A(i) of the Public Health Service Act (42 U.S.C. 254l(i)) is amended by striking "and" after the semicolon at the end of paragraph (3), by striking paragraph (4), and by adding at the end the following new paragraphs:

"(4) the amount of scholarship payments made for each of tuition, stipends, and other expenses, in the aggregate and at each educational institution for the school year beginning in such year and for prior school years; and

"(5)(A) the number, and type of health professions training, of individuals who have breached the contract under subsection (f) through any of the actions specified in subsection (a) or (b) of section 338E; and

"(B) with respect to such individuals—

"(i) the educational institutions with respect to which payments have been made or were to be made under the contract;

"(ii) the amounts for which the individuals are liable to the United States under section 338E;

"(iii) the extent of payment by the individuals of such amounts; and

"(iv) if known, the basis for the decision of the individuals to breach the contract under subsection (f).".

SEC. 202. LOAN REPAYMENT PROGRAM.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—

(1) IN GENERAL.—Section 338B(a) of the Public Health Service Act (42 U.S.C. 254l-1(a)) is amended by striking "Corps Loan" and all that follows and inserting the following: "Corps Loan Repayment Program to assure, with respect to the provision of primary health services pursuant to section 331(a)(2)—

"(1) an adequate supply of physicians, dentists, certified nurse midwives, certified nurse practitioners, and physician assistants; and

"(2) if needed by the Corps, an adequate supply of other health professionals.".

(2) LOAN REPAYMENT CONTRACT.—Section 338B(f)(1)(B)(iv) of the Public Health Service Act (42 U.S.C. 254*l*(f)(1)(B)(iv)) is amended by inserting "as a provider of primary health services" before "in a health manpower shortage area".

(b) ELIGIBILITY.—

(1) IN GENERAL.—

(A) Section 338B(b)(1) of the Public Health Service Act (42 U.S.C. 254l-1(b)(1)) is amended to read as follows:

"(1)(A) must have a degree in medicine, osteopathic medicine, dentistry, or other health profession;

"(B) be enrolled in an approved graduate training program in medicine, osteopathic medicine, dentistry, or other health profession; or

"(C) be enrolled as a full-time student—

"(i) in an accredited (as determined by the Secretary) educational institution in a State; and

"(ii) in the final year of a course of a study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathic medicine, dentistry, or other health profession;".

(B) Section 338B(f)(1)(B) of the Public Health Service Act (42 U.S.C. 254l-1(f)(1)(B)) is amended in clauses (ii) and (iii) by striking "(b)(1)(A)" each place such term appears and inserting "(b)(1)(C)".

(2) TIME FOR SUBMISSION OF CONTRACT.—

(A) Section 338B(b) of the Public Health Service Act (42 U.S.C. 254l-1(b)) is amended—

(i) by adding "and" after the semicolon at the end of paragraph (2); and

(ii) by striking paragraphs (3) and (4), and by inserting after paragraph (2) the following:

"(3) submit to the Secretary an application for a contract described in subsection (f) (relating to the payment by the Secretary of the educational loans of the individual in consideration of the individual serving for a period of obligated service)."

(B) Section 338B(e) of the Public Health Service Act (42 U.S.C. 254l-1(e)) is amended by striking "only" and all that follows and inserting the following: "only upon the Secretary and the individual entering into a written contract described in subsection (f).".

(c) PRIORITY IN MAKING AWARDS.—Section 338B(d) of the Public Health Service Act (42 U.S.C. 254l-1(d)) is amended to read as follows:

"(d) In providing contracts under the Loan Repayment Program, the Secretary shall give priority—

"(1) to any application for such a contract submitted by an individual whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps; and

"(2) to any application for such a contract submitted by an individual who has (and whose spouse, if any, has) characteristics that increase the probability that the individual will continue to serve in a health manpower shortage area after the period of obligated service pursuant to subsection (f) is completed.".

(d) CONTENTS OF CONTRACT.—Section 338B(f)(2) of the Public Health Service Act (42 U.S.C. 254l-1(f)(2)) is amended by inserting before the semicolon the following: ", including extensions resulting in an aggregate period of obligated service in excess of 4 years".

(e) PAYMENTS.—

(1) CLARIFICATION REGARDING UNDERGRADUATE LOANS.—Section 338B(g)(1) of the Public

Health Service Act (42 U.S.C. 254l-1(g)(1)) is amended in the matter preceding subparagraph (A) by striking "loans received by the individual for—" and inserting the following: "loans received by the individual regarding the undergraduate or graduate education of the individual (or both), which loans were made for—".

(2) ANNUAL AMOUNT OF REPAYMENTS.—Section 338B(g)(2) of the Public Health Service Act (42 U.S.C. 254l-1(g)(2)) is amended—

(A) in subparagraph (A), by striking "$20,000" and inserting "$35,000", and by striking "Except" and all that follows through "for each" and inserting "For each"; and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(f) TAX LIABILITY.—

(1) IN GENERAL.—Section 338B(g)(3) of the Public Health Service Act (42 U.S.C. 254l-1(g)(3)) is amended to read as follows:

"(3) TAX LIABILITY.—For the purpose of providing reimbursements for tax liability resulting from payments under paragraph (2) on behalf of an individual—

"(A) the Secretary shall, in addition to such payments, make payments to the individual in an amount equal to 39 percent of the total amount of loan repayments made for the taxable year involved; and

"(B) may make such additional payments as the Secretary determines to be appropriate with respect to such purpose.".

(2) APPLICABILITY OF AMENDMENT.—The amendment made by paragraph (1) shall apply only with respect to contracts under section 338B of the Public Health Service Act (relating to service in the National Health Service Corps) that are entered into on or after the effective date of this Act.

(g) REPORTS TO CONGRESS.—Section 338B(i) of the Public Health Service Act (42 U.S.C. 254l-1(i)) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) the total amount of loan payments made under the Loan Repayment Program in the year for which the report is submitted;

"(2) the number of applications filed under this section in the school year beginning in such year and in prior school years;

"(3) the number, and type of health profession training, of individuals receiving loan repayments under such Program;

"(4) the educational institution at which such individuals received their training;

"(5) the total amount of the indebtedness of such individuals for educational loans as of the date on which the individuals become participants in such Program;

"(6) the number of years of obligated service specified for such individuals in the initial contracts under subsection (f), and, in the case of individuals whose period of such service has been completed, the total number of years for which the individuals served in the Corps (including any extensions made for purposes of paragraph (2) of such subsection); and

"(7)(A) the number, and type of health professions training, of such individuals who have breached the contract under subsection (f) through any of the actions specified in subsection (a) or (b) of section 338E; and

"(B) with respect to such individuals—

"(i) the educational institutions with respect to which payments have been made or were to be made under the contract;

"(ii) the amounts for which the individuals are liable to the United States under section 338E;

"(iii) the extent of payment by the individuals of such amounts; and

"(iv) if known, the basis for the decision of the individuals to breach the contract under subsection (f).".

SEC. 203. ESTABLISHMENT OF CORPS MEMBER REPLACEMENT FUND.

Subpart III of part D of title III of the Public Health Service Act (42 U.S.C. 254l et seq.) is amended by redesignating sections 338F through 338H as sections 338G through sections 338I, respectively, and by inserting after section 338E the following new section:

"SEC. 338F. FUND REGARDING USE OF AMOUNTS RECOVERED FOR CONTRACT BREACH TO REPLACE SERVICES LOST AS RESULT OF BREACH.

"(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the National Health Service Corps Member Replacement Fund (hereafter in this section referred to as the 'Fund'). The Fund shall consist of such amounts as may be appropriated under subsection (b) to the Fund.

"(b) AUTHORIZATION OF APPROPRIATIONS TO FUND.—For each fiscal year, there is authorized to be appropriated to the Fund an amount equal to the sum of—

"(1) the amount collected during the preceding fiscal year by the Federal Government pursuant to the liability of individuals under section 338E for the breach of contracts entered into under section 338A or 338B;

"(2) the amount by which grants under section 338I have, for such preceding fiscal year, been reduced under subsection (g)(2)(B) of such section; and

"(3) the aggregate of the amount of interest accruing during the preceding fiscal year on obligations held in the Fund pursuant to subsection (d) and the amount of proceeds from the sale or redemption of such obligations during such fiscal year.

"(c) USE OF FUND.—

"(1) PAYMENTS TO CERTAIN HEALTH FACILITIES.—Amounts in the Fund and available pursuant to appropriations Act may, subject to paragraph (2), be expended by the Secretary to make payments to any entity—

"(A) to which a Corps member has been assigned under section 333; and

"(B) that has a need for a health professional to provide primary health services as a result of the Corps member having breached the contract entered into under section 338A or 338B by the individual.

"(2) PURPOSE OF PAYMENTS.—An entity receiving payments pursuant to paragraph (1) may expend the payments to recruit and employ a health professional to provide primary health services to patients of the entity, or to enter into a contract with such a professional to provide the services to the patients.

"(d) INVESTMENT.—

"(1) IN GENERAL.—The Secretary of the Treasury shall invest such amounts of the Fund as such Secretary determines are not required to meet current withdrawals from the Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.".

SEC. 204. REPORT AND AUTHORIZATION OF APPROPRIATIONS.

(a) INCREASE IN PERIOD FOR WHICH NEEDS PROJECTED.—Section 338H(a) of the Public Health Service Act, as redesignated by section 203 of this Act, is amended in paragraphs (1) and (2) by striking "3 fiscal years" each place such term appears and inserting "5 fiscal years".

(b) FUNDING.—Section 338H(b) of the Public Health Service Act, as redesignated by section 203 of this Act, is amended to read as follows:

"(b) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated $63,900,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 2000.

"(2) RESERVATION OF AMOUNTS.—

"(A) SCHOLARSHIPS FOR NEW PARTICIPANTS.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall obligate not less than 30 percent for the purpose of providing contracts for scholarships under this subpart to individuals who have not previously received such scholarships.

"(B) SCHOLARSHIPS FOR FIRST-YEAR STUDY IN CERTAIN FIELDS.—With respect to certification as a nurse practitioner, nurse midwife, or physician assistant, the Secretary shall, of the amounts appropriated under paragraph (1) for a fiscal year, obligate not less than 10 percent for the purpose of providing contracts for scholarships under this subpart to individuals who are entering the first year of study in a course of study or program described in subsection 338A(b)(1)(B) that leads to such a certification. Amounts obligated under this subparagraph shall be in addition to amounts obligated under subparagraph (A).".

TITLE III—GRANTS TO STATES FOR IMPROVEMENTS REGARDING HEALTH SERVICES

SEC. 301. ESTABLISHMENT OF PROGRAM FOR STATE LOAN REPAYMENTS REGARDING SERVICE IN HEALTH MANPOWER SHORTAGE AREAS.

Section 338I of the Public Health Service Act, as redesignated by section 203 of this Act, is amended to read as follows:

"SEC. 338I. GRANTS TO STATES FOR LOAN REPAYMENT PROGRAMS.

"(a) IN GENERAL.—

"(1) AUTHORITY FOR GRANTS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States for the purpose of assisting the States in operating programs described in paragraph (2) in order to provide for the increased availability of primary health services in health manpower shortage areas.

"(2) LOAN REPAYMENT PROGRAMS.—The programs referred to in paragraph (1) are, subject to subsection (c), programs of entering into contracts under which the State involved agrees to pay all or part of the principal, interest, and related expenses of the educational loans of health professionals in consideration of the professionals agreeing to provide primary health services in health manpower shortage areas.

"(3) DIRECT ADMINISTRATION BY STATE AGENCY.—The Secretary may not make a grant under paragraph (1) unless the State involved agrees that the program operated with the grant will be administered directly by a State agency.

"(b) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the State agrees that, with respect to the costs of making payments on behalf of indi-

viduals under contracts made pursuant to paragraph (2) of such subsection, the State will make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(c) COORDINATION WITH FEDERAL PROGRAM.—

"(1) ASSIGNMENTS FOR HEALTH MANPOWER SHORTAGE AREAS UNDER FEDERAL PROGRAM.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that, in carrying out the program operated with the grant, the State will assign health professionals participating in the program only to public and nonprofit private entities located in and providing health services in health manpower shortage areas.

"(2) REMEDIES FOR BREACH OF CONTRACTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that the contracts provided by the State pursuant to paragraph (2) of such subsection will provide remedies for any breach of the contracts by the health professionals involved.

"(3) LIMITATION REGARDING CONTRACT INDUCEMENTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that the contracts provided by the State pursuant to paragraph (2) of such subsection will not be provided on terms that are more favorable to health professionals than the most favorable terms that the Secretary is authorized to provide for contracts under the Loan Repayment Program under section 338B, including terms regarding—

"(A) the annual amount of payments provided on behalf of the professionals regarding educational loans; and

"(B) the availability of remedies for any breach of the contracts by the health professionals involved.

"(d) RESTRICTIONS ON USE OF FUNDS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—

"(1) to conduct activities for which Federal funds are expended—

"(A) within the State to provide technical or other nonfinancial assistance under subsection (f) of section 330;

"(B) under a memorandum of agreement entered into with the State under subsection (h) of such section; or

"(C) under a grant under section 338J; or

"(2) for any purpose other than making payments on behalf of health professionals under contracts entered into pursuant to subsection (a)(2).

"(e) REPORTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees—

"(1) to submit to the Secretary reports providing the same types of information regarding the program operated pursuant to such subsection as reports submitted pursuant to subsection (i) of section 338B provide regarding the Loan Repayment Program under such section; and

"(2) to submit such a report not later than January 10 of each fiscal year immediately following any fiscal year for which the State has received such a grant.

"(f) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out such subsection.

"(g) NONCOMPLIANCE.—

"(1) IN GENERAL.—The Secretary may not make payments under subsection (a) to a State for any fiscal year subsequent to the first fiscal year of such payments unless the Secretary determines that, for the immediately preceding fiscal year, the State has complied with each of the agreements made by the State under this section.

"(2) REDUCTION IN GRANT RELATIVE TO NUMBER OF BREACHED CONTRACTS.—

"(A) Before making a grant under subsection (a) to a State for a fiscal year, the Secretary shall determine the number of contracts provided by the State under paragraph (2) of such subsection with respect to which there has been an initial breach by the health professionals involved during the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(B) In the case of State with 1 or more initial breaches for purposes of subparagraph (A), the Secretary shall reduce the amount of a grant under subsection (a) to the State for the fiscal year involved by an amount equal to the expenditures of Federal funds made regarding the contracts involved.

"(h) DEFINITIONS.—For purposes of this section, the term 'State' means each of the several States.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of making grants under subsection (a), there is authorized to be appropriated $10,000,000 for each of the fiscal years 1991 through 1995.

"(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.".

SEC. 302. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES.

Subpart III of part D of title III of the Public Health Service Act, as amended by section 203 of this Act, is amended by redesignating section 338J as section 338K, and by inserting after section 338I the following new section:

"SEC. 338J. GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Office of Rural Health Policy (established in section 711 of the Social Security Act), may make grants to States for the purpose of improving health care in rural areas through the operation of State offices of rural health.

"(b) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the State involved agrees, with respect to the costs to be incurred by the State in carrying out the purpose described in such subsection, to provide non-Federal contributions in cash toward such costs in an amount equal to—

"(A) for the first fiscal year of payments under the grant, not less than $1 for each $3 of Federal funds provided in the grant;

"(B) for any second year of such payments, not less than $1 for each $1 of Federal funds provided in the grant; and

"(C) for any third year of such payments, not less than $3 for each $1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(c) CERTAIN REQUIRED ACTIVITIES.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that activities carried out by an office operated pursuant to such subsection will include—

"(1) establishing and maintaining within the State a clearinghouse for collecting and disseminating information on—

"(A) rural health care issues;

"(B) research findings relating to rural health care; and

"(C) innovative approaches to the delivery of health care in rural areas;

"(2) coordinating the activities carried out in the State that relate to rural health care, including providing coordination for the purpose of avoiding redundancy in such activities; and

"(3) identifying Federal and State programs regarding rural health, and providing technical assistance to public and nonprofit private entities regarding participation in such programs.

"(d) REQUIREMENT REGARDING ANNUAL BUDGET FOR OFFICE.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that, for any fiscal year for which the State receives such a grant, the office operated pursuant to subsection (a) will be provided with an annual budget of not less than $50,000.

"(e) CERTAIN USES OF FUNDS.—

"(1) RESTRICTIONS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that—

"(A) if research with respect to rural health is conducted pursuant to the grant, not more than 10 percent of the grant will be expended for such research; and

"(B) the grant will not be expended—

"(i) to provide health care (including providing cash payments regarding such care);

"(ii) to conduct activities for which Federal funds are expended—

"(I) within the State to provide technical and other nonfinancial assistance under subsection (f) of section 330;

"(II) under a memorandum of agreement entered into with the State under subsection (h) of such section; or

"(III) under a grant under section 338I;

"(iii) to purchase medical equipment, to purchase ambulances, aircraft, or other vehicles, or to purchase major communications equipment; or

"(iv) to purchase or improve real property.

"(2) AUTHORITIES.—Activities for which a State may expend a grant under subsection (a) include—

"(A) paying the costs of establishing an office of rural health for purposes of subsection (a);

"(B) subject to paragraph (1)(B)(ii)(III), paying the costs of any activity carried out with respect to recruiting and retaining health professionals to serve in rural areas of the State; and

"(C) providing grants and contracts to public and nonprofit private entities to carry out activities authorized in this section.

"(f) REPORTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees—

"(1) to submit to the Secretary reports containing such information as the Secretary may require regarding activities carried out under this section by the State; and

"(2) to submit such a report not later than January 10 of each fiscal year immediately following any fiscal year for which the State has received such a grant.

"(g) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out such subsection.

"(h) NONCOMPLIANCE.—The Secretary may not make payments under subsection (a) to a State for any fiscal year subsequent to the first fiscal year of such payments unless the Secretary determines that, for the immediately preceding fiscal year, the State has complied with each of the agreements made by the State under this section.

"(i) DEFINITIONS.—For purposes of this section, the term 'State' means each of the several States.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of making grants under subsection (a), there are authorized to be appropriated $3,000,000 for fiscal year 1991, $4,000,000 for fiscal year 1992, and $3,000,000 for fiscal year 1993.

"(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.

"(k) TERMINATION OF PROGRAM.—No grant may be made under this section after the aggregate amounts appropriated under subsection (j)(1) are equal to $10,000,000.".

TITLE IV—GENERAL PROVISIONS

SEC. 401. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4487 was introduced on April 4 by Mr. RICHARDSON, Mr. COOPER, Mr. SLATTERY, Mr. TAUKE, Mr. SYNAR, Mr. BOUCHER, Mr. ROWLAND, Mr. TOWNS, myself, and 18 other Members. It would revise and extend the authorization for the National Health Service Corps to meet the needs of rural and urban underserved areas for primary health care services.

This bill was reported from the Committee on Energy and Commerce with bipartisan support. The committee amendments reflect substantive contributions from Mr. MADIGAN, Mr. TOWNS, Mr. BILIRAKIS, and Mr. RICHARDSON. I would also like to recognize the work that Mr. SLATTERY, Mr. COOPER, and Mr. TAUKE did in committee to create a product that both sides of the aisle can enthusiastically support. In addition, I would like to acknowledge Mr. STENHOLM, who authored the concept of a program of incentives to States to establish rural health offices.

The National Health Service Corps is the way in which the Federal Government makes primary health care available to underserved rural or urban communities. The corps provides scholarships or repays health education loans for doctors and other health professionals. In exchange, the recipients agree to provide primary health care at designated sites in health manpower shortage areas for a specified period of time.

The corps is 20 years old this year. Over the past two decades, the corps has placed over 10,000 physicians and other health professionals in rural and urban communities that have been left unserved by the market. It has been a critical source of staffing for the community and migrant health center programs as well as the Indian Health Service.

As we enter the 1990's, the corps faces a major challenge.

According to the Department, there are about 12.5 million Americans living in over 1,900 rural and urban areas with a shortage of primary care practitioners. The problem is not that these Americans are all uninsured; while some of them are, many have public or private coverage. The problem is that there are no primary care doctors or other health professionals serving the communities in which they live.

Unfortunately, because of some bad decisions made in the early 1980's, the corps is not in a position today to meet the needs of most of the Nation's 1,935 underserved communities or population groups. To eliminate these shortages would require 4,147 primary care physicians.

This year, the corps expects to have only 1,751 physicians and other health professionals in the field. There are currently 123 scholarship recipients and 74 loan repayment recipients available for placement. By 1993, the number of scholarship recipients available for placement will decline to 18. At the same time, the number of health manpower shortage areas may grow larger than 1,900, as older rural physicians retire, and as competition for new primary care practitioners increases.

The logic of these numbers is obvious.

Unless we revitalize the corps, we are never going to meet the needs of the 12.5 million unserved Americans, and we may leave even more unserved.

The bill before the House this afternoon would provide the policy tools for eliminating primary care shortages during the coming decade. It would revise and extend the corps scholarship and loan repayment programs through fiscal year 2000. It would revise and extend the State loan repayment program through fiscal year 1995. And it would establish a 3-year program to stimulate the development of State Offices of Rural Health.

As requested by the administration, the first year authorization for the corps scholarship and loan repayment programs would be $63.9 million. According to the Congressional Budget Office, the bill would result in new budget authority of $137 million in fiscal year 1991, and $740 million over the next 5 years. This modest investment will pay large dividends by making primary care services available to millions of Americans over the next decade.

I urge my colleagues to support this critical bill.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

□ 1510

Mr. Speaker, the National Health Service Corps was formed to provide health manpower to those communities of greatest need, both urban and rural, which otherwise cannot recruit and retain health care providers. Since its inception it has placed over 12,000 physicians and other health care providers in medically underserved areas across the Nation.

The legislation before us today will help revitalize the corps by clarifying that its purpose is to provide primary health services and I am pleased to say that it represents a compromise worked out by the majority and the minority. I want to particularly thank the chairman of the subcommittee, and the members of the Energy and Commerce Committee from Iowa, New Mexico, Tennessee, and Kansas for their work on this compromise.

Let me briefly describe the amendment I offered at full committee which represents the compromise:

First, it provides for Secretary Sullivan's proposal of $63.9 million in 1991 and such sums as necessary in the outyears for the authorization for the

Scholarship and Loan Program. This authorization level is an eightfold increase over the current appropriation for this program. For the field authorization, it authorizes "such sums as necessary."

Second, the amendment strikes from the legislation the requirement for single-year funding in the Scholarship Program which means that the scholarships will continue to be funded on a multiyear basis.

Third, it will earmark a minimum of 30 percent of appropriated moneys for scholarships for physicians, and an additional 10 percent for nurse midwives and practitioners.

Finally, it will place a new goal statement in the statute stating that the purpose of the corps is to eliminate all health manpower shortages in health manpower areas.

I ask my colleagues for their support.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON], the lead author of this legislation.

Mr. RICHARDSON. Mr. Speaker, first I wish to thank the gentleman from Kansas [Mr. SLATTERY] and the gentleman from Tennessee [Mr. COOPER], the joint coauthors of this bill. I think, without their role, we would not have this legislation. In addition, Mr. Speaker, I thank the gentleman from Iowa [Mr. TAUKE] and the gentleman from Illinois [Mr. MADIGAN], the chairman of the subcommittee, equally. I think also we forget the work of the outstanding staff that works here in the Congress: Janet Murguia from the office of the gentleman from Kansas [Mr. SLATTERY], Atul Gwandi from the office of the gentleman from Tennessee [Mr. COOPER], Tara Federici from my staff, Andy Schneider, Howard Cohen, many others that have toiled endlessly on this very important legislation which is a major, major initiative for rural health care in the country.

Mr. Speaker, the National Health Service Corps [NHSC] is the Federal Government's primary means of recruiting physicians to rural, inner city, and other areas suffering from health manpower shortages. As such, the corps has been a successful and model program for recruiting physicians and other health care personnel into medically underserved areas. Needless to say, the corps was more successful in the past than it is now in meeting these needs.

PHYSICIAN SHORTAGES

In recent years, the corps has declined from a peak field strength of 3,127 NHSC providers in 1986, to the 123 scholarship recipients available for placement this year. If the program continues without change, only 18 scholarships will be meted out in 1993. More importantly, communities served by the corps are losing 600 providers a year with no replacements.

CRISIS IN RURAL HEALTH CARE

As a result, the corps is no longer even minimally meeting its mandate "to improve and maintain the health status of medically underserved populations." Given the crisis in rural health care, this cannot and should not be allowed to continue. Today, people living in rural areas continue to be in poorer health, travel farther for health care, report chronic or serious illness more frequently, are more likely to die from injury, and are older than their urban counterparts. Moreover, rural residents are more than twice as likely as the Nation as a whole to face shortages of primary care physicians.

H.R. 4487 REVITALIZES THE NATIONAL HEALTH SERVICE CORPS

H.R. 4487 and changes made during the committee process renew the National Health Service Corps' commitment to primary health care for medically underserved areas. It continues the current loan repayment program and rejuvenates the Scholarship Program by insuring that a minimum of 30 percent of appropriated funds are used for scholarships each fiscal years. In this way, the corps will meet both short- and long-term needs by replenishing the supply of doctors to medically underserved areas.

H.R. 4487 INSURES MIDLEVEL PRACTITIONER SCHOLARSHIPS

H.R. 4487 also requires that a minimum of 10 percent of appropriated funds be used for scholarships for midlevel practitioners such as nurse practitioners, nurse midwives, and physician assistants. Better utilization of midlevel practitioners can increase the productivity of primary care physicians and save money in the long run.

H.R. 4487 WORKS TO RECRUIT AND RETAIN PROVIDERS

To help retain NHSC providers and get them into the neediest areas, among other things, H.R. 4478 increases the maximum loan payment from $20,000 to $35,000 per year, and directs the corps to give priority to individuals with characteristics that increase the probability that they will remain in the underserved area when their obligation is completed.

In addition, H.R. 4487 establishes as a priority the assignment of corps personnel to areas with the greatest shortages based on the following criteria: the ratio of health manpower to the number of individuals; the rate of infant mortality, low birthweight, and poverty; access to primary health care services; and the effect on access to primary care if corps members are not assigned to a site.

H.R. 4487 also requires that the National Advisory Council on the corps be more representative of the corps and hopefully more responsive; and adds clarifying language delineating priorities in awarding scholarships to those who have already received corps scholarships or scholarships under the title VII exceptionally financially needy program. I am pleased H.R. 4487 also contains the National Health Service Corps member replacement fund designed to provide restitution to NHSC sites that lose NHSC providers due to a breach of contract from a corps provider. More importantly, this fund will enable NHSC sites to recruit and employ other health professionals to provide primary care services.

H.R. 4487 ESTABLISHES GRANT PROGRAM FOR RURAL HEALTH OFFICES

H.R. 4487 also provides $10 million for a new grant program to help States operate new and existing State offices of rural health. Under the legislation, State offices of rural health would be required to serve as clearinghouses on rural health information, and provide technical assistance. States could also use these funds to recruit and retain health care professionals in rural areas.

H.R. 4487 REAUTHORIZES THE STATE LOAN REPAYMENT PROGRAM

H.R. 4487 also reauthorizes the State Loan Repayment Program and insures that the State Loan Repayment Program coordinates with and supports national efforts to eliminate health manpower shortage areas.

In closing, I would ask my colleagues' support of H.R. 4487 and point out the critical need to reauthorize and revitalize the National Health Service Corps.

Mr. MADIGAN. Mr. Speaker, I yield 3 minutes to the most noble and very distinguished gentleman from Iowa [Mr. TAUKE], the principal architect of the compromise before us.

Mr. TAUKE. Mr. Speaker, I rise in strong support of H.R. 4487, the National Health Service Corps revitalization amendments. The passage of this legislation is a top priority for the House Rural Health Care Coalition. A revitalized National Health Service Corps is crucial to our efforts to address the pressing health professional shortages across rural America and ensure that rural Americans have access to community-based health care services.

I wish to personally thank my colleagues Mr. RICHARDSON, Mr. SLATTERY, Mr. COOPER, Mr. STENHOLM, Mr. BRUCE, Mr. MADIGAN, and Mr. WAXMAN and their staffs for the many hours of work that have gone into perfecting this important legislation.

Over the past decade, we gradually phased down the National Health Service Corps in the belief that an anticipated surplus of physicians would result in physicians moving into medically underserved rural and innercity areas. That has not happened.

Since 1981, the number of medically underserved areas has increased by 36 percent, not decreased. Today, over 33.6 million Americans live in areas that have inadequate numbers of primary health care providers to ensure access to basic health care services.

The legislation before us today addresses the needs of these citizens in three basic ways. First, we are revitalizing the scholarship program to increase the number of health professionals available to serve in rural America. Recognizing that physician assistants and nurses are important primary care providers, we are earmarking 10 percent of the funds available for scholarships for nurses and physician assistants.

Second, we are expanding and improving the loan repayment program, under which physicians, nurses, physician assistants, and allied health professionals may receive educational loan repayment in exchange for serving in an underserved area.

Third, we are extending the State loan repayment program, under which States may qualify for Federal matching funds for establishing loan repayment programs of their own.

This legislation also provides States with start-up funds to establish and expand State offices of rural health to assist local communities to recruit and retain health professionals.

On behalf of the 145 members of the bipartisan House Rural Health Care Coalition, I ask my colleagues to vote for this legislation, the goal of which is ensuring that every American, whether living in a rural or innercity area, has access to community-based primary health care services.

□ 1520

Mr. WAXMAN. Mr. Speaker, I yield 4 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I, too, would like to join with my colleagues in acknowledging the hard work of the members of the Energy and Commerce Committee on this legislation, and to the committee chairmen, who deserve a lot of credit for bringing this bill to the floor today.

I would like also to express my deep gratitude to the gentleman from Illinois [Mr. MADIGAN] and the gentleman from Iowa [Mr. TAUKE] on the other side who have worked very hard in moving this legislation forward, and certainly our friend, the gentleman from New Mexico [Mr. RICHARDSON], and the gentleman from Tennessee [Mr. COOPER] on this side of the aisle deserve an awful lot of credit for their hard work, too.

The staff has already been acknowledged, but I would also like to pay special recognition to Janet Murguia on my side, who I know has worked countless hours on this legislation.

In the 1970's and early 1980's, thousands of poor communities, rural and urban, received doctors they would not otherwise have received had it not been for the National Health Service Corps. However, due to the drastic budget cuts during the 1980's, the corps is on the verge of disappearing.

H.R. 4487 would reauthorize and revitalize the ability of the corps to attract health professions to areas with cronic shortgages of medical personnel.

Few things are more important to the future of rural America than the availability of affordable, quality health care. That is why this legislation before us today is so important. Close to 2,000 communities, with almost 34 million people, face health care personnel shortages. They need an estimated 4,000 health professionals to provide even minimal medical services.

In my home State of Kansas, there are at least 16 counties with severe health manpower shortages that could benefit from the reenactment and revitalization of the National Health Service Corps.

The corps in the past went a long way toward meeting these needs by offering scholarship and loan repayment awards to medical students in exchange for a commitment to practice in underserved areas. At one time, 3,000 corps doctors were serving 5 million patients per year; however, the budget cuts of the 1980's slashed the number of scholarships awarded from more than 6,400 in 1980 to less than 50 in 1988. Communities served by the corps are losing 600 practitioners a year with no replacement.

While a significant increase in funding will make a big difference, there are other changes in this program that must be made. I believe the changes proposed in H.R. 4487 will strengthen the corps and make a basically good program much better.

This bill achieves a good balance between scholarship awards and loan repayment contracts.

This legislation would maintain a necessary mix of scholarship and loan repayment awards. It sets a minimum floor for the amount of funding allotted for scholarship in order to guarantee that the neediest and least attractive shortage areas receive physicians and primary care health personnel.

The current trend to rely solely on the loan repayment program does not achieve this important objective.

This, Mr. Speaker, is a proven program, with a 96-percent completion rate. It has put health care professionals in communities where medical services were most needed in the past and it will work in the future.

To meet the primary care needs of underserved communities in the 1990's, we will have to use the National Health Service Corps. In the short run, we will have to rely on the loan repayment program; but we also need to start funding new scholarships so that by the mid-1990's we will again have an adequate supply of primary care physicians and midlevel personnel coming out of medical schools available for placement in the areas with greatest need.

Ultimately, it is my hope that this bill will encourage young physicians, dentists, nurses, and other health professionals to serve in areas where they are most needed, instead of choosing areas where they can earn the most money to repay expensive school loans.

Again, I thank my colleagues for their help in bringing this important legislation to the floor today and I urge all the Members of this body to support this important legislation.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I would like to add my words of thanks and praise to the members of the Energy and Commerce Committee, particularly the gentleman from California [Mr. WAXMAN], our great subcommittee chairman, and also my colleague, the gentleman from New Mexico [Mr. RICHARDSON], the gentleman from Kansas [Mr. SLATTERY], the gentleman from Illinois [Mr. MADIGAN], and the gentleman from Iowa [Mr. TAUKE], who all together did such a fine job of crafting this legislation.

The staff, of course, was also extremely important. I would like to single out a member of my staff, Atul Gawande, for his fine efforts on this legislation.

Mr. Speaker, few pieces of legislation that this Congress will consider will do more good for more people than this bill. We have heard the numbers, anywhere between 12 million and 34 million Americans are terribly underserved today. They need doctors. They lack doctors. This bill will provide doctors.

I think it is highly appropriate that on the 20th anniversary of this program we will be not only reenacting it, but revitalizing it so that these urgent needs can be filled.

Some 2,000 communities across this great Nation of ours, both in rural America and in urban America, are facing these shortages. Many of our colleagues on the House floor are acutely sensitive to these needs that have gone unmet for so long.

We know that the free market theory for doctor distribution did not work, as my colleague, the gentleman from Iowa [Mr. TAUKE] pointed out. Doctors, unfortunately, did not choose to go to the most underserved areas in the country. We need incentives like this to help doctors make the right decisions.

I represent a county called Morgan County in my district that for decades had no doctor at all. They had 20,000 good people in that county, but no doctor. Finally, in 1974, two doctors arrived in that county under this program. One of those doctors is now gone and that leaves one doctor to serve 20,000 people. Now the folks in Morgan County can look forward to getting help, to getting the attention of the doctors that they need and deserve.

I hope that young people all over this country, young people who are in school, people who are poor but deserving, will look at this bill and take heart, realize that our Federal Government is going to help them serve the most underserved in America.

Mr. MADIGAN. Mr. Speaker, I again yield myself such time as I may consume. I do that, Mr. Speaker, for pointing out the participation and the negotiation of this successful compromise that one of our colleagues from the Health and Environment Subcommittee who could not be with us this afternoon and requested that I express on his behalf his strong support for this bill. I would like to acknowledge the work of the gentleman from Florida [Mr. BILIRAKIS] on this bill, with other members of the subcommittee. The gentleman from Florida [Mr. BILIRAKIS] authored an amendment which was unanimously approved by the full Energy and Commerce Committee that will provide some relief to health centers that lose their National Health Service Corps professionals prematurely.

Currently these health professionals are required to pay a penalty if they leave before their term of commitment is completed; but unfortunately, clinics are unable to use any of this money. Additionally, most health centers have difficulty in replacing the professional, and the overall health delivery system of the community declines.

The Bilirakis amendment would require that a portion of the penalty money would go directly to the clinic that lost the health professional and would be used to assist the clinic in recruitment or paying the salary of a replacement health professional.

Again, I want to take this opportunity to recognize the contribution of the gentleman from Florida [Mr. BILIRAKIS] and his efforts on behalf not only of his particular amendment, but of all the work that went into this successful compromise that we have before us this afternoon.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, I thank the gentleman for yielding to me this time.

Mr. Speaker, as a member of the Infant Mortality Task Force of the Congressional Sun Belt Caucus and the Rural Health Care Coalition, I rise today in strong support of H.R. 4487, the National Health Service Corps Revitalization Amendments of 1990.

At one time, the corps provided desperately needed doctors to hundreds of rural and and inner-city communities by making scholarships and loan repayment programs available.

□ 1530

However, drastic budget cuts during the 1980's have jeopardized the very existence of this vital program, and the number of scholarships have been slashed from 6,400 to less than 50 in 1989, and as a result of these cuts, medically underserved communities in my State and all over the country are losing their doctors with no replacements in sight.

Mr. Speaker, we see a direct correlation between the lack of adequate prenatal care and the high incidence of infant mortality. It is a sad fact of life that in our region we have one of the highest infant mortality rates in the United States.

Not too awfully long ago, the gentleman from Mississippi [Mr. ESPY], the gentleman from Alabama [Mr. ERDREICH], and I conducted a hearing in Birmingham on the question and issue of infant mortality. One of the things that we heard at that hearing from doctors and other health care professionals was the fact that the corps that we are speaking of today needed to be emphasized and that we needed more scholarships and more programs available so that we could encourage doctors to go into medically underserved areas of our country.

I rise, as I said, today in strong support of this program, because I feel the passage of this bill will help provide health care professionals to the medically underserved communities of our country. I urge my colleagues to pass this bill.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I rise in strong support of H.R. 4487, the National Health Service Corps Revitalization Amendments of 1990. As an original cosponsor of this legislation, I am pleased to see it being considered today.

Since its inception, the National Health Service Corps [NHSC] has placed more than 13,000 professionals in communities that would not be able to recruit their services otherwise. But drastic budget cuts in the 1980's have almost extingushed this program, with fewer than 50 scholarships being offered in 1989. As a result, communities served by the corps are now losing 600 practitioners a year with no replacements.

H.R. 4487 would reauthorize and revitalize the corps, providing scholarships and loan forgiveness to students during their graduate medical education in exchange for their commitment to provide services in health manpower shortage areas after graduation. It would set aside 40 percent of recruitment funds for scholarships, with a special set-aside for allied health professionals, and strengthen practitioner retention programs to improve our ability to encourage corps doctors to remain in needy areas after their assignment ends.

The National Health Service Corps has been an integral part of the success of the community and migrant health centers and has provided communities with family practitioners where there have been no practicing obstetricians. It has helped ensure that adequate personnel are available to serve the communities that are most often plagued with high infant mortality rates and maternal and child health problems. That is why I and other members of the Congressional Sun Belt Caucus Task Force on Infant Mortality, in our efforts to address the tragic rate of infant death in this country, have focused on the NHSC as a key element of the solution.

In my home State of North Carolina, the latest infant mortality figures place us last among the 50 States. The story across the Nation is not much different. The most recent study conducted by the National Center for Health Statistics estimates our Nation's infant mortality rate to be 10.1 deaths per thousand live births, considerably behind most industrialized nations. It makes no sense whatsoever, as infant mortality rates and maternal and child health actually worsen in many areas, to let a program as demonstrably relevant as the NHSC atrpohy and die. The bill before us will turn that around, and none too soon. I urge my collegaues to join me and other members of the task force in supporting this desperately needed legislation which will send practitioners into medically underserved areas and help give our children a healthier start in life.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 4487, the National Health Service Corps Revitalization Amendments of 1990. This measure will ensure that medically underserved areas, primarily in rural communities, will not have to go without basic medical services.

The National Health Service Corps has almost 20 years of success in assisting physicians and other health professionals become established in areas which have health manpower shortages. The corps works diligently with local communities to assess needs and determine strategies to recruit and retain the most qualified individuals to serve these rural areas.

In 1987 there were 2,700 National Health Service Corps professionals delivering primary care to approximately 2 million underserved

patients in about 1,500 communities nationwide. They are serving at least a 2-year obligation and may subsequently select a career in the corps.

But despite the successes of the past, communities served by the corps are losing close to 600 doctors and health practitioners a year with no replacements. In my district, I know that the Casey County War Memorial Hospital has only three physicians on staff and all three are ready to retire. In this case the hospital has undergone an intensive review of how to recruit and retain much needed physicains in this county. Clearly, the National Health Service Corps could play a vital role in these efforts.

Mr. Speaker, H.R. 4478 revitalizes the corps' ability to provide health professionals in areas with chronic shortages of medical personnel. According to the Public Health Service, close to 2,000 communities with almost 34 million people face such shortages. States and local governments report that they need at least 4,000 health professionals to provide these vital medical services. This legislation will go a long way in meeting these needs.

Specifically, the bill authorizes the National Health Service Corps at the administration's request level of $63.9 million in fiscal year 1991, while reauthorizing the program through the year 2,000.

It also directs the Health and Human Services Department to place personnel in the worst shortage areas as shown by the numbers of doctors, infant mortality, low birth weights, access to care and poverty levels. In addition, the measure sets aside 40 percent of recruitment funds for scholarships, including 10 percent for allied health professionals. But, most importantly, this bill institutes needed reforms to retain practitioners in these underserved areas after their assignment ends.

The basic mission of the National Health Service Corps has been, and still is, to provide health manpower resources to areas, populations, and facilities of greatest need. H.R. 4487 renews our commitment to ensure that basic health care needs do not go unmet. I urge my colleagues to approve this important measure.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4487, as amended.

The question was taken.

Mr. MADIGAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

NUTRITION LABELING AND EDUCATION ACT OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3562) to amend the Federal Food, Drug, and Cosmetic Act to prescribe nutrition labeling for foods, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3562

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

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Nutrition Labeling and Education Act of 1990".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. NUTRITION LABELING.

(a) NUTRITION INFORMATION.—Section 403 (21 U.S.C. 343) is amended by adding at the end the following new paragraph:

"(q)(1) Except as provided in subparagraphs (3), (4), and (5), if it is a food intended for human consumption and is offered for sale, unless its label or labeling bears nutrition information that provides—

"(A)(i) the serving size which is an amount customarily consumed and which is expressed in a common household measure that is appropriate to the food, or

"(ii) if the use of the food is not typically expressed in a serving size, the common household unit of measure that expresses the serving size of the food,

"(B) the number of servings or other units of measure per container,

"(C) the total number of calories—

"(i) derived from any source, and

"(ii) derived from the total fat,

in each serving size or other unit of measure of the food, and

"(D) the amount of the following nutrients: Total fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and total protein contained in each serving size or other unit of measure.

The statement of the serving size or other unit of measure required by clause (A) and the statement of the calories, total fat, cholesterol, sodium, and fiber required by clause (D) shall be highlighted on the label by larger type, bold type, or contrasting color.

"(2)(A) If the Secretary determines that a nutrient other than a nutrient listed in subparagraph (1)(C) or (1)(D) should be included in the label or labeling of food subject to subparagraph (1) for purposes of providing information regarding the nutritional value of such food that will assist consumers in maintaining healthy dietary practices, the Secretary may by regulation require that information relating to such additional nutrient be included in the label or labeling of such food.

"(B) If the Secretary determines that the information relating to a nutrient required by subparagraph (1)(C) or (1)(D) or clause (A) of this subparagraph to be included in the label or labeling of food is not necessary to assist consumers in maintaining healthy dietary practices, the Secretary may by regulation remove information relating to such nutrient from such requirement.

"(3) For food that is received in bulk containers at a retail establishment, the Secretary shall, by regulation, provide that the nutrition information required by subparagraphs (1) and (2) may be displayed at the location in the retail establishment at which the food is offered for sale.

"(4)(A) The Secretary shall provide for furnishing the nutrition information required by subparagraphs (1) and (2) with respect to raw agricultural commodities and raw fish by issuing voluntary nutrition guidelines, as provided by clause (B) or by issuing regulations that are mandatory as provided by clause (C).

"(B)(i) Upon the expiration of 12 months after the date of the enactment of the Nutrition Labeling and Education Act of 1990, the Secretary, after providing an opportunity for comment, shall issue guidelines for food retailers offering raw agricultural commodities or raw fish to provide nutrition information specified in subparagraphs (1) and (2). Such guidelines shall take into account the actions taken by food retailers during such 12-month period to provide to consumers nutrition information on raw agricultural commodities and raw fish. Such guidelines shall only apply

"(I) in the case of raw agricultural commodities, to the 20 varieties of vegetables most frequently consumed during a year and the 20 varieties of fruit most frequently consumed during a year, and

"(II) to the 20 varieties of raw fish most frequently consumed during a year.

The vegetables, fruits, and raw fish to which such guidelines apply shall be determined by the Secretary by regulation and the Secretary may apply such guidelines regionally.

"(ii) Upon the expiration of 12 months after the date of the enactment of the Nutrition Labeling and Education Act of 1990, the Secretary shall issue a final regulation defining the circumstances that constitute substantial compliance by food retailers with the guidelines issued under subclause (i). The regulation shall provide that there is not substantial compliance if a significant number of retailers have failed to comply with the guidelines. The size of the retailers and the portion of the market served by retailers in compliance with the guidelines shall be considered in determining whether the substantial-compliance standard has been met.

"(C)(i) Upon the expiration of 30 months after the date of the enactment of the Nutrition Labeling and Education Act of 1990, the Secretary shall issue a report on actions taken by food retailers to provide consumers with nutrition information for raw agricultural commodities and raw fish under the guidelines issued under clause (A). Such report shall include a determination of whether there is substantial compliance with the guidelines.

"(ii) If the Secretary finds that there is substantial compliance with the guidelines, the Secretary shall issue a report and make a determination of the type required in subclause (i) every two years.

"(D)(i) If the Secretary determines that there is not substantial compliance with the guidelines issued under clause (A), the Secretary shall at the time such determination is made issue proposed regulations requiring that any person who offers raw agricultural commodities or raw fish to consumers provide, in a manner prescribed by regulations, the nutrition information required by subparagraphs (1) and (2). The Secretary shall

issue final regulations imposing such requirements 6 months after issuing the proposed regulations. The final regulations shall become effective 6 months after the date of their promulgation.

"(ii) Regulations issued under subclause (i) may require that the nutrition information required by subparagraphs (1) and (2) be provided for more than 20 varieties of vegetables, 20 varieties of fruit, and 20 varieties of fish most frequently consumed during a year if the Secretary finds that a larger number of such products are frequently consumed. Such regulations shall permit such information to be provided in a single location in each area in which raw agricultural commodities and raw fish are offered for sale. Such regulations may provide that information shall be expressed as an average or range per serving of the same type of raw agricultural commodity or raw fish. The Secretary shall develop and make available to the persons who offer such food to consumers the information required by subparagraphs (1) and (2).

"(iii) Regulations issued under subclause (i) shall permit the required information to be provided in each area of an establishment in which raw agricultural commodities and raw fish are offered for sale. The regulations shall permit food retailers to display the required information by supplying copies of the information provided by the Secretary, by making the information available in brochure, notebook or leaflet form, or by posting a sign disclosing the information. Such regulations shall also permit presentation of the required information to be supplemented by a video, live demonstration, or other media which the Secretary approves.

"(E) For purposes of this subparagraph, the term 'fish' includes freshwater or marine fin fish, crustaceans, and mollusks, including shellfish, amphibians, and other forms of aquatic animal life.

"(F) No person who offers raw agricultural commodities or raw fish to consumers may be prosecuted for minor violations of this subparagraph if there has been substantial compliance with the requirements of this paragraph.

"(5)(A) Subparagraphs (1), (2), (3), and (4) shall not apply to food—

"(i) which is served in restaurants or other establishments in which food is served for immediate human consumption or which is sold for sale or use in such establishments,

"(ii) which is processed and prepared primarily in a retail establishment, which is ready for human consumption, which is of the type described in subclause (i), and which is offered for sale to consumers but not for immediate human consumption in such establishment and which is not offered for sale outside such establishment,

"(iii) which is an infant formula subject to section 412,

"(iv) which is a medical food as defined in section 5(b) of the Orphan Drug Act (21 U.S.C. 360ee(b)), or

"(v) which is described in section 405(2).

"(B) Subparagraphs (1) and (2) shall not apply to the label of a food if the Secretary determines by regulations that compliance with such subparagraphs is impracticable because the package of such food is too small to comply with the requirements of such subparagraphs and if the label of such food does not contain any nutrition information.

"(C) If a food contains insignificant amounts, as determined by the Secretary, of all the nutrients required by subparagraphs (1) and (2) to be listed in the label or labeling of food, the requirements of such subparagraphs shall not apply to such food if the label, labeling, or advertising of such food does not make any claim with respect to the nutritional value of such food. If a food contains insignificant amounts, as determined by the Secretary, of more than one-half the nutrients required by subparagraphs (1) and (2) to be in the label or labeling of the food, the Secretary may require the amounts of such nutrients to be stated in a simplified form.

"(D) If a person offers food for sale and has annual gross sales made or business done in sales to consumers which is not more than $500,000 or has annual gross sales made or business done in sales of food to consumers which is not more than $50,000, the requirements of subparagraphs (1), (2), (3), and (4) shall not apply with respect to food sold by such person to consumers unless the label or labeling of food offered by such person provides nutrition information or makes a nutrition claim.

"(E) If a food to which section 411 applies (as defined in section 411(c)) contains one or more of the nutrients required by subparagraph (1) or (2) to be in the label or labeling of the food, the label or labeling of such food shall comply with the requirements of subparagraphs (1) and (2) in a manner which is appropriate for such food and which is specified in regulations of the Secretary.

"(F) Subparagraphs (1), (2), (3), and (4) shall not apply to food which is sold by a food distributor if the food distributor principally sells food to restaurants or other establishments in which food is served for immediate human consumption and does not manufacture, process, or repackage the food it sells.".

(b) REGULATIONS.—

(1) The Secretary of Health and Human Services shall issue proposed regulations to implement section 403(q) of the Federal Food, Drug, and Cosmetic Act within 12 months after the date of the enactment of this Act. Not later than 18 months after the date of the enactment of this Act, the Secretary shall issue final regulations to implement the requirements of such section. Such regulations shall—

(A) require the required information to be conveyed to the public in a manner which enables the public to readily observe and comprehend such information and to understand its relative significance in the context of a total daily diet,

(B) include regulations which establish standards, in accordance with paragraph (1)(A), to define serving size or other unit of measure for food,

(C) permit the label or labeling of food to include nutrition information which is in addition to the information required by such section 403(q) and which is of the type described in subparagraph (1) or (2) of such section, and

(D) permit the nutrition information on the label or labeling of a food to remain the same or permit the information to be stated as a range even though (i) there are minor variations in the nutritional value of the food which occur in the normal course of the production or processing of the food, or (ii) the food is comprised of an assortment of similar foods which have variations in nutritional value.

(2) Before issuing the proposed regulations under paragraph (1) after the date of the enactment of this Act, the Secretary of Health and Human Services shall consider the vitamins, minerals, and other nutrients required to be placed on the label and labeling of food under the Federal Food, Drug, and Cosmetic Act before the date of the enactment of of this Act and shall determine whether information with respect to any of such nutrients shall be required under the authority of section 403(q)(2)(A) of such Act.

(3) If the Secretary of Health and Human Services does not promulgate final regulations under paragraph (1) upon the expiration of 18 months after the date of the enactment of this Act, the proposed regulations issued in accordance with paragraph (1) shall be considered as the final regulations upon the expiration of such 18 months. There shall be promptly published in the Federal Register notice of new status of the proposed regulations.

(4) If the Secretary of Health and Human Services does not promulgate final regulations under section 403(q)(4) of the Federal Food, Drug, and Cosmetic Act upon the expiration of 6 months after the date on which the Secretary makes a finding that there has been no substantial compliance with section 403(q)(4)(C) of such Act, the proposed regulations issued in accordance with such section shall be considered as the final regulations upon the expiration of such 6 months. There shall be promptly published in the Federal Register notice of new status of the proposed regulations.

(c) CONSUMER EDUCATION.—The Secretary of Health and Human Services shall carry out activities which educate consumers about—

(1) the availability of nutrition information in the label or labeling of food, and

(2) the importance of that information in maintaining healthy dietary practices.

SEC. 3. CLAIMS.

(a) LABELING REQUIRED.—Section 403 (21 U.S.C. 343) is amended by adding after the paragraph added by section 2 the following:

"(r)(1) Except as provided in subparagraph (5), if it is a food intended for human consumption which is offered for sale and for which a claim is made in the label or labeling of the food which expressly or by implication—

"(A) characterizes the level of any nutrient which is of the type required by paragraph (q)(1) or (q)(2) to be in the label or labeling of the food unless the claim is made in accordance with subparagraph (2), or

"(B) characterizes the relationship of any nutrient which is of the type required by paragraph (q)(1) or (q)(2) to be in the label or labeling of the food to a disease or a health-related condition unless the claim is made in accordance with subparagraph (3).

A statement of the type required by paragraph (q) that appears as part of the nutrition information required or permitted by such paragraph is not a claim which is subject to this paragraph and a claim subject to clause (A) is not subject to clause (B).

"(2)(A) Except as provided in subparagraphs (4)(A)(ii), (4)(A)(iii), and (5), a claim described in subparagraph (1)(A)—

"(i) may be made only if the characterization of the level made in the claim uses terms which are defined in regulations of the Secretary,

"(ii) may not state the absence of a nutrient unless—

"(I) the nutrient is usually present in the food or in a food which substitutes for the food as defined by the Secretary by regulation, or

"(II) the Secretary by regulation permits such a statement on the basis of a finding that such a statement would assist consumers in maintaining healthy dietary practices and the statement discloses that the nutrient is not usually present in the food,

"(iii) may not be made with respect to the level of cholesterol in the food if the food contains, as determined by the Secretary by regulation, fat or saturated fat in an amount which increases to persons in the general population the risk of disease or a health related condition which is diet related unless—

"(I) the Secretary finds by regulation that the level of cholesterol is substantially less than the level usually present in the food or in a food which substitutes for the food and which has a significant market share, or the Secretary by regulation permits a statement regarding the absence of cholesterol on the basis of a finding that cholesterol is not usually present in the food and that such a statement would assist consumers in maintaining healthy dietary practices and a requirement that the statement disclose that cholesterol is not usually present in the food, and

"(II) the label or labeling of the food discloses the level of such fat or saturated fat in immediate proximity to such claim and with appropriate prominence which shall be no less than one-half the size of the claim with respect to the level of cholesterol,

"(iv) may not be made with respect to the level of saturated fat in the food if the food contains cholesterol unless the label or labeling of the food discloses the level of cholesterol in the food in immediate proximity to such claim and with appropriate prominence which shall be no less than one-half the size of the claim with respect to the level of saturated fat,

"(v) may not state that a food is high in dietary fiber unless the food is low in total fat as defined by the Secretary or the label or labeling discloses the level of total fat in the food in immediate proximity to such statement and with appropriate prominence which shall be no less than one-half the size of the claim with respect to the level of dietary fiber, and

"(vi) may not be made if the Secretary by regulation prohibits the claim because the claim is misleading in light of the level of another nutrient in the food.

"(B) If a claim described in subparagraph (1)(A) is made with respect to a nutrient in a food, the label or labeling of such food shall contain, prominently and in immediate proximity to such claim, the following statement: 'See for nutrition information.' In the statement—

"(i) the blank shall identify the panel on which the information described in the statement may be found, and

"(ii) if the Secretary determines that the food contains a nutrient at a level which increases to persons in the general population the risk of a disease or health-related condition which is diet related, taking into account the significance of the food in the total daily diet, the statement shall also identify such nutrient.

"(C) Subparagraph (2)(A) does not apply to a claim described in subparagraph (1)(A) and contained in the label or labeling of a food if such claim is contained in the brand name of such food and such brand name was in use on such food before October 25, 1989, unless the brand name contains a term defined by the Secretary under subparagraph (2)(A)(i). Such a claim is subject to paragraph (a).

"(3)(A) Except as provided in subparagraph (5), a claim described in subparagraph (1)(B) may only be made—

"(i) if the claim meets the requirements of the regulations of the Secretary promulgated under clause (B), and

(ii) if the food for which the claim is made does not contain, as determined by the Secretary by regulation, any nutrient in an amount which increases to persons in the general population the risk of a disease or health-related condition which is diet related, taking into account the significance of the food in the total daily diet, except that the Secretary may by regulation permit such a claim based on a finding that such a claim would assist consumers in maintaining healthy dietary practices and based on a requirement that the label contain a disclosure of the type required by subparagraph (2)(B).

"(B)(i) The Secretary shall promulgate regulations authorizing claims of the type described in subparagraph (1)(B) only if the Secretary determines, based on the totality of publicly available scientific evidence (including evidence from well-designed studies conducted in a manner which is consistent with generally recognized scientific procedures and principles), that there is significant scientific agreement, among experts qualified by scientific training and experience to evaluate such claims, that the claim is supported by such evidence.

"(ii) A regulation described in subclause (i) shall describe—

"(I) the relationship between a nutrient of the type required in the label or labeling of food by paragraph (q)(1) or (q)(2) and a disease or health-related condition, and

"(II) the significance of each such nutrient in affecting such disease or health-related condition.

"(iii) A regulation described in subclause (i) shall require such claim to be stated in a manner so that the claim is an accurate representation of the matters set out in subclause (ii) and so that the claim enables the public to comprehend the information provided in the claim and to understand the relative significance of such information in the context of a total daily diet.

"(4)(A)(i) Any person may petition the Secretary to issue a regulation under subparagraph (2)(A)(i) or (3)(B) relating to a claim described in subparagraph (1)(A) or (1)(B). Not later than 100 days after the petition is received by the Secretary, the Secretary shall issue a final decision denying the petition or file the petition for further action by the Secretary. If the Secretary denies the petition, the petition shall not be made available to the public. If the Secretary files the petition, the Secretary shall deny the petition or issue a proposed regulation to take the action requested in the petition not later than 90 days after the date of such decision.

"(ii) Any person may petition the Secretary for permission to use in a claim described in subparagraph (1)(A) terms that are consistent with the terms defined by the Secretary under subparagraph (2)(A)(i). Within 90 days of the submission of such a petition, the Secretary shall issue a final decision denying the petition or granting such permission.

"(iii) Any person may petition the Secretary for permission to use an implied claim described in subparagraph (1)(A) in a brand name. After publishing notice of an opportunity to comment on the petition in the Federal Register and making the petition available to the public, the Secretary shall grant the petition if the Secretary finds that such claim is not misleading and is consistent with terms defined by the Secretary under subparagraph (2)(A)(i). The Secretary shall grant or deny the petition within 100 days of the date it is submitted to the Secretary and the petition shall be considered granted if the Secretary does not act on it within such 100 days.

"(B) A petition under clause (A)(i) respecting a claim described in subparagraph (1)(A) or (1)(B) shall include an explanation of the reasons why the claim meets the requirements of this subsection and a summary of the scientific data which supports such reasons.

"(C) If a petition for a regulation under subparagraph (3)(B) relies on a report from an authoritative scientific body of the United States, the Secretary shall consider such report and shall justify any decision rejecting the conclusions of such report.

"(5)(A) This paragraph does not apply to infant formulas subject to section 412(h) and medical foods as defined in section 5(b) of the Orphan Drug Act.

"(B) Subclauses (iii) through (vi) of subparagraph (2)(A) and subparagraph (2)(B) do not apply to food which is served in restaurants or other establishments in which food is served for immediate human consumption or which is sold for sale or use in such establishments.

"(C) A subparagraph (1)(A) claim made with respect to a food which claim is required by a standard of identity issued under section 401 shall not be subject to subparagraph (2)(A)(i) or (2)(B).".

(b) REGULATIONS.—

(1)(A) Within 12 months of the date of the enactment of this Act, the Secretary of Health and Human Services shall issue proposed regulations to implement section 403(r) of the Federal Food, Drug, and Cosmetic Act. Such regulations—

(i) shall identify claims described in section 403(r)(1)(A) of such Act which comply with section 403(r)(2) of such Act,

(ii) shall identify claims described in section 403(r)(1)(B) of such Act which comply with section 403(r)(3) of such Act,

(iii) shall permit statements describing the amount and percentage of nutrients in food which are not misleading and are consistent with the terms defined in section 403(r)(2)(A)(i),

(iv) shall provide that if multiple claims subject to section 403(r)(1)(A) are made on a single panel of the food label or page of a labeling brochure, a single statement may be made to satisfy section 403(r)(2)(B),

(v) shall determine whether claims respecting the following nutrients and diseases meet the requirements of section 403(r)(3) of such Act: Calcium and osteoporosis, dietary fiber and cancer, lipids and cardiovascular disease, lipids and cancer, sodium and hypertension, and dietary fiber and cardiovascular disease,

(vi) shall not require a person who proposes to make a claim described in section 403(r)(1)(B) of such Act which is in compliance with such regulations to secure the approval of the Secretary before making such claim,

(vii) may permit a claim described in section 403(r)(1)(A) of such Act to be made for butter, and

(viii) may, in defining terms under section 403(r)(2)(A)(i), include similar terms which are commonly understood to have the same meaning.

(B) Not later than 18 months after the date of the enactment of this Act, the Secre-

tary shall issue final regulations to implement section 403(r) of the Federal Food, Drug, and Cosmetic Act.

(2) If the Secretary does not promulgate final regulations under paragraph (1)(B) upon the expiration of 18 months after the date of the enactment of this Act, the proposed regulations issued in accordance with paragraph (1)(A) shall be considered as the final regulations upon the expiration of such 18 months. There shall be promptly published in the Federal Register notice of the new status of the proposed regulations.

SEC. 4. STATE ENFORCEMENT.

Section 307 (21 U.S.C. 337) is amended by striking out "All such proceedings" and inserting in lieu thereof "(a) Except as provided in subsection (b), all such proceedings" and by adding at the end the following:

"(b)(1) A State may bring in its own name and within its jurisdiction proceedings for the civil enforcement, or to restrain violations, of section 401, 403(b), 403(c), 403(d), 403(e), 403(f), 403(g), 403(h), 403(i), 403(k), 403(q), or 403(r) if the food that is the subject of the proceedings is located in the State.

"(2) No proceeding may be commenced by a State under paragraph (1)—

"(A) before 30 days after the State has given notice to the Secretary that the State intends to bring such proceeding,

"(B) before 90 days after the State has given notice to the Secretary of such intent if the Secretary has, within such 30 days, commenced an informal or formal enforcement action pertaining to the food which would be the subject of such proceeding, or

"(C) if the Secretary is diligently prosecuting a proceeding in court pertaining to such food or has settled such proceeding out of court. In any such court proceeding by the Secretary a State may intervene as a matter of right.", and

(2) in the last sentence, by striking out "any such proceeding" and inserting in lieu thereof "any proceeding under this section".

SEC. 5. CONFORMING AMENDMENTS.

(a) SECTION 405.—Section 405 (21 U.S.C. 345) is amended by adding at the end the following: "This section does not apply to the labeling requirements of sections 403(q) and 403(r).".

(b) DRUGS.—Section 201(g)(1) (21 U.S.C. 321(g)(1)) is amended by adding at the end the following: "A food for which a claim subject to sections 403(r)(1)(B) and 403(r)(3) is made in accordance with the requirements of section 403(r) is not a drug under clause (B) solely because the label or labeling contains such a claim.".

SEC. 6. NATIONAL UNIFORM NUTRITION LABELING.

(a) PREEMPTION.—Chapter IV is amended by adding after section 403 the following new section:

"SEC. 403A. (a) Except as provided in subsection (b), no State or political subdivision of a State may directly or indirectly establish under any authority or continue in effect as to any food in interstate commerce—

"(1) any requirement for a food which is the subject of a standard of identity established under section 401 which is not identical to such standard of identity or which is not identical to the requirement of section 403(g),

"(2) any requirement for the labeling of foods of the type required by section 403(c), 403(e), or 403(i)(2) that is not identical to the requirement of such section,

"(3) any requirement for the labeling of foods of the type required by section 403(b), 403(d), 403(f), 403(h), 403(i)(1), or 403(k) that is not identical to the requirement of such section,

"(4) any requirement for nutrition labeling of foods that is not identical to the requirement of section 403(q), or

"(5) any requirement respecting any claim made in the label or labeling of food that is not identical to the requirement of section 403(r).

Paragraph (3) shall take effect in accordance with section 6(b) of the Nutrition Labeling and Education Act of 1990.

"(b)(1) Subsection (a) does not apply to any requirement respecting a statement in the labeling of food that provides for a warning concerning the safety of the food or component of the food.

"(2) Upon petition of a State or a political subdivision of a State, the Secretary may exempt from subsection (a), under such conditions as may be prescribed by regulation, any State or local requirement that—

"(A) would not cause any food to be in violation of any applicable requirement under Federal law,

"(B) would not unduly burden interstate commerce, and

"(C) is designed to address a particular need for information which need is not met by the requirements of the sections referred to in subsection (a).".

(b) STUDY AND REGULATIONS.—

(1) The Secretary of Health and Human Services shall enter into a contract with a public or nonprofit private entity to conduct a study of—

(A) State and local laws which require the labeling of food that is of the type required by sections 403(b), 403(d), 403(f), 403(h), 403(i)(1), and 403(k) of the Federal Food, Drug, and Cosmetic Act, and

(B) the sections of the Federal Food, Drug, and Cosmetic Act referred to in subparagraph (A) and the regulations issued by the Secretary to enforce such sections to determine whether such sections and regulations adequately implement the purposes of such sections.

(2) The contract under paragraph (1) shall provide that the study required by such paragraph shall be completed within 6 months of the date of the enactment of this Act.

(3)(A) Within 9 months of the date of the enactment of this Act, the Secretary shall publish a proposed list of sections which are adequately being implemented by regulations as determined under paragraph (1)(B) and sections which are not adequately being implemented by regulations as so determined. After publication of the lists, the Secretary shall provide 60 days for comments on such lists.

(B) Within 18 months of the date of the enactment of this Act, the Secretary shall publish a final list of sections which are adequately being implemented by regulations and a list of sections which are not adequately being implemented by regulations. With respect to a section which is found by the Secretary to be adequately implemented, no State or political subdivision of a State may establish or continue in effect as to any food in interstate commerce any requirement which is not identical to the requirement of such section.

(C) Within 18 months of the date of the enactment of this Act, the Secretary shall publish proposed revisions to the regulations found to be inadequate under subparagraph (B) and within 24 months of such date shall issue final revisions. Upon the effective date of such final revisions, no State or political subdivision may establish or continue in effect any requirement which is not identical to the requirement of the section which had its regulations revised in accordance with this subparagraph.

(D)(i) If the Secretary does not issue a final list in accordance with subparagraph (B), the proposed list issued under subparagraph (A) shall be considered the final list and States and political subdivisions shall be preempted with respect to sections found to be adequate in such proposed list in accordance with subparagraph (B).

(ii) If the Secretary does not issue final revisions of regulations in accordance with subparagraph (C), the proposed revisions issued under such subparagraph shall be considered the final revisions and States and political subdivisions shall be preempted with respect to sections the regulations of which are revised by the proposed revisions.

(E) Subsection (b)(2) of section 403A of the Federal Food, Drug, and Cosmetic Act shall apply with respect to the prohibition prescribed by subparagraphs (B) and (C).

SEC. 7. INGREDIENTS.

Section 403(i) (21 U.S.C. 343(i)) is amended—

(1) by striking out "If it is not subject to paragraph (g) of this section unless" and inserting in lieu thereof "Unless",

(2) by inserting before "; except" the following: "and if the food purports to be a beverage containing vegetable or fruit juice, a statement with appropriate prominence on the information panel of the total percentage of such fruit or vegetable juice contained in the food", and

(3) by striking out "colorings" and inserting in lieu thereof "colors not required to be certified under section 706(c)".

SEC. 8. STANDARD OF IDENTITY REGULATION.

Section 701(e) (21 U.S.C. 371(e)) is amended by striking out "401,".

SEC. 9. CONSTRUCTION.

The amendments made by this Act shall not be construed to alter the authority of the Secretary of Health and Human Services and the Secretary of Agriculture under the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act.

SEC. 10. EFFECTIVE DATE.

(a) IN GENERAL.—

(1) Except as provided in paragraph (2)—

(A) the amendments made by section 2 shall take effect 6 months after—

(i) the date of the promulgation of all final regulations required to implement section 403(q) of the Federal Food, Drug, and Cosmetic Act, or

(ii) if such regulations are not promulgated, the date proposed regulations are to be considered as such final regulations,

except that section 403(q)(4) of such Act shall take effect as prescribed by such section,

(B) the amendments made by section 3 shall take effect 6 months after—

(i) the date of the promulgation of final regulations to implement section 403(r) of the Federal Food, Drug, and Cosmetic Act, or

(ii) if such regulations are not promulgated, the date proposed regulations are to be considered as such final regulations, except that any person marketing a food the brand name of which contains a term defined by the Secretary under section 403(r)(2)(A)(i) of the Federal Food, Drug, and Cosmetic

Act shall be given an additional 6 months to comply with section 3,

(C) the amendments made by section 4 shall take effect 18 months after the date of the enactment of this Act, and

(D) the amendments made by section 5 shall take effect on the date the amendments made by section 3 take effect.

(2) Section 403(q) of the Federal Food, Drug, and Cosmetic Act (as added by section 2) shall not apply with respect to food which was labeled before the effective date of the amendments made by section 2 and section 403(r) of the Federal Food, Drug, and Cosmetic Act (as added by section 3) shall not apply with respect to food which was labeled before the effective date of the amendments made by section 3.

(3)(A) If the Secretary finds that a person who is subject to section 403(q)(4) of such Act is unable to comply with the requirements of such section upon the effective date of final regulations to implement section 403(q) of such Act or of proposed regulations to be considered as such final regulations because the Secretary has not made available to such person the information required by such section, the Secretary shall delay the application of such section to such person for such time as the Secretary may require to provide such information.

(B) If the Secretary finds that compliance with section 403(q) or 403(r)(2) of such Act would cause an undue economic hardship, the Secretary may delay the application of such sections for no more than one year.

(b) SECTION 6.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by section 6 shall take effect—

(A) with respect to a requirement of a State or political subdivision described in paragraph (1) of section 403A(a) of the Federal Food, Drug, and Cosmetic Act, on the date of the enactment of this Act,

(B) with respect to a requirement of a State or political subdivision described in paragraph (2) of section 403A(a) of the Federal Food, Drug, and Cosmetic Act, one year after the date of the enactment of this Act,

(C) with respect to a requirement of a State or political subdivision described in paragraph (3) of section 403A(a) of the Federal Food, Drug, and Cosmetic Act, as prescribed by section 6(b) of the Nutrition Labeling and Education Act of 1990,

(D) with respect to a requirement of a State or political subdivision described in paragraph (4) of section 403A(a) of the Federal Food, Drug, and Cosmetic Act, on the date regulations to implement section 403(q) of such Act take effect, and

(E) with respect to a requirement of a State or political subdivision described in paragraph (5) of section 403A(a) of the Federal Food, Drug, and Cosmetic Act, on the date regulations to implement section 403(r) of such Act take effect.

(2) EXCEPTION.—If a State or political subdivision submits a petition under section 403A(b)(2) of the Federal Food, Drug, and Cosmetic Act for a requirement described in section 403A(a) of such Act within 9 months of the date of the enactment of this Act, paragraphs (3) through (5) of such section 403A(a) shall not apply with respect to such State or political subdivision requirement until—

(1) 18 months after the date of the enactment of this Act, or

(2) action on the petition,

whichever occurs later.

(c) SECTION 7.—The amendments made by section 7 shall take effect one year after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3562, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this legislation is to make sense of the confusing array of nutrition labels that confront all consumers every time they enter the supermarket.

H.R. 3562 would require that food products disclose their nutritional content. Every food that is covered would have a uniform nutrition label that would disclose the amount of calories, fat, salt, and other nutrients. Where full labeling would be impractical, the bill provides for an exemption or requires that the information be provided in a modified form. Under this principle, restaurants are exempt from the nutrition labeling requirements. The information pertinent to fish, fruits, and vegetables would be conveyed by a sign or brochure made available at the supermarket, rather than by labeling on the food.

The bill also addresses the issue of nutrition claims on foods. First, content claims would have to be consistent with terms defined by the Secretary of the Department of Health and Human Services, who would presumably delegate this authority to the Commissioner of the Food and Drug Administration. Today, companies use terms such as "low" and "light" differently and inconsistently. On some products, "light" means low in fat; on others, such as some brands of olive oil, it refers to the color of the product. The bill would correct this deceptive and misleading state of affairs by requiring that terms such as "light" have a single meaning.

The second issue concerns disease claims. Today, a variety of disease claims are made on foods. An example would be the claim that bran prevents cancer. Under this bill, before such a claim could be made, the FDA would review the scientific evidence and decide whether the claim is valid. Once the FDA decides that a specific claim is valid, then any company could make a claim that was consistent with the FDA's findings.

Mr. Speaker, the bill before us has been substantially changed since it was reported by the Committee on Energy and Commerce. Those changes reflect negotiations between the committee and interested parties in the private sector. The legislative intent of those negotiations is reflected in a separate statement of intent of the changes that have been made to H.R. 3562 since the bill was reported by the Energy and Commerce Committee. That statement has been reviewed by both me and by Mr. MADIGAN, and it reflects our understanding of the changes that have been made.

I would like to say a word about the changes that have been made with respect to preemption of State laws because I believe that the compromise that we have negotiated reflects principles that we should adhere to in the future when addressing similar issues.

The first principle is that State laws should not be preempted unless the nature of the laws at issue makes it difficult and even impossible for companies to operate in interstate commerce. In the case of food labeling laws at issue with regard to H.R. 3562, the food industry made a strong argument that this was the case. A national food processor understandably finds it difficult to comply with numerous conflicting and inconsistent State and local laws. This argument, which has particular appeal with respect to food labels, would have far less appeal where other types of preemption are at issue.

Second, the States should never be preempted unless a strong Federal regulatory system is in place. Under this principle, provisions for preempting the States on nutrition labeling and health claims were included in H.R. 3562 at the time it was reported out by the Subcommittee on Energy and Commerce.

However, the bill before the Members today contains provisions that would preempt other aspects of the food label, such as provisions regarding misleading containers and the prominence of labeling. Because we were unable to determine whether the Federal standard is strong in these areas, the bill provides for a study of Federal and State standards to determine whether additional Federal regulation is needed. If additional Federal regulation is deemed necessary, then the States will not be preempted until those regulations are in place.

Third, any preemption provision must recognize the important contribution that the State can make in regulation, and it must leave a role for

the states. H.R. 3562 recognizes the importance of the State role: by allowing States to adopt standards that are identical to the Federal standard, which may be enforced in State court; by allowing the States to enforce the Federal standard in Federal court; and by allowing the States to petition for permission to enforce a separate State law where the State demonstrates a particular need and where such a law would not unduly burden interstate commerce.

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Fourth, and most importantly, the most compelling argument for State regulation is where the States have adopted laws to protect the safety of their citizens. Therefore, the preemption provisions in H.R. 3562 explicitly permit the States to adopt requirements for warning about the ingredients or components of food.

As a result of these negotiations, H.R. 3652 has strong support from both the public health organizations that have been active on nutrition issues and from the trade associations of food companies that will be affected by the bill. I have received letters of support from the American Bakers Association, the Food Marketing Institute, Grocery Manufacturers of America Inc., International Ice Cream Association, Milk Industry Foundation, the National American Wholesale Grocers Association, the National Food Processors Association, the National Grocers Association as well as the American Dietetic Association, American Heart Association, American Cancer Society, American Association of Retired Persons, and the Society for Nutrition Education.

I would like to say a final word about the work behind this bill. As is true of any important piece of legislation, H.R. 3562 is the result of hard work by many Members, some of whom have had their own legislative proposals in this area, specifically Mr. COOPER, Mr. SLATTERY, Mr. SMITH, and Mr. GLICKMAN.

There are two Members whose contribution I would particularly like to single out for special mention. The first is the gentleman from Massachusetts, Mr. MOAKLEY, who has championed the cause of nutrition information for many years and who introduced legislation which served as the progenitor of H.R. 3562 before our subcommittee even considered it.

The second Member I would like to thank is my friend, the gentleman from Illinois [Mr. MADIGAN], the principal cosponsor of this bill. From the time the bill was introduced, the gentleman from Illinois has worked tirelessly to ensure that the bill remains strong and that we do all we can to enact it into law. He has insisted that the bill be as effective as possible so that all Americans can be fully and fairly informed about the nutritional characteristics of the food that they eat.

Then last I want to mention the contribution of the staff, particularly the minority staff, Mary McGrane, and our subcommittee counsel, Bill Schultz.

STATEMENT OF INTENT OF CHANGES IN THE VERSION OF H.R. 3562 REPORTED BY COMMITTEE ON ENERGY AND COMMERCE

There are a number of changes from the version of H.R. 3562 that was reported by the Committee on Energy and Commerce. The intent of significant changes is discussed below:

Section 403(q)(4), in the version reported out by the Committee, directed the Secretary to issue regulations requiring that retailers that sell fresh fish, fruits and vegetables to provide nutrition information on the 20 most frequently consumed varieties of each type of product. The provision in the bill instead adopts a guideline approach which would be followed by regulations if a significant number of retailers were not in compliance with the guidelines.

Under the bill, the Secretary would adopt guidelines within 12 months of enactment. The guidelines would provide for furnishing the nutrition information required by 403(q) (1) and (2) through signs, brochures or other similar methods. The information would be furnished for the 20 most common varieties of fruit, vegetables and fish. In promulating the guidelines, the Secretary would take into account the experience in any voluntary programs that had been adopted by food retailers.

The bill requires the Secretary to adopt regulations if there is not substantial compliance with the guidelines. The Secretary is required to issue regulations defining substantial compliance within 12 months after the date of enactment. The Secretary is required to include in that definition the concept that there will be a finding of no substantial compliance if a significant number of retailers are not in compliance with the Act. In making this determination, the Secretary shall also provide that the size of the retailers in compliance and not in compliance will be considered, as well as the portion of the market served by retailers in compliance with the guidelines.

Section 403(q)(4)(C) requires that, 30 months from the date of enactment, the Secretary shall issue a report on whether there has been substantial compliance with the guidelines. If the Secretary finds that there has been substantial compliance, then regulations would not be issued, but the Secretary would review the determination every two years. However, if the Secretary at any time finds that there is not substantial compliance with the guidelines, then the Secretary must, at the same time, issue proposed regulations requiring that the information required by subparagraphs (1) and (2) be furnished for raw agricultural commodities and raw fish. Final regulations must be issued six months thereafter, and they may require labeling for more than 20 types of fish, fruits and vegetables if the Secretary finds additional labeling is required so that all frequently consumed products are covered by the nutrition labeling requirements.

These regulations would replace the voluntary guidelines. A provision is also included that would require the proposed regulations be treated as the final regulations if the Secretary misses the deadline for issuing the final regulations.

Section 403(q)(5) has been amended by adding clause (F) which provides that section 403(q) shall not apply to a food distributor that sells principally to restaurants and other food service establishments. Under the bill, the manufacturer of such products would be responsible for providing the nutrition information on the products if there is a reasonable possibility that the product will be purchased directly by consumers, even if the principal customers are restaurants and other wholsale purchasers. However, section 403(q)(5) provides that the distributor is not liable as long as the distributor does not manufacture the product sold to the consumer.

Section 403(r)(1) has been amended to make it clear that the information on the nutrition label is not a claim under that provision and therefore is not subject to the disclosure requirements in section 403(r)(2). This provision would extend to optional statements permitted on the panel containing nutrition information, but the identical information will be subject to section 403(r)(2) if it is included in a statement in another portion of the label.

Section 403(r)(2)(A)(iii) has been amended to prohibit claims as to the level of cholesterol if the Secretary determines by regulation that the food contains fat or saturated fat in an amount that increases to persons in the general population the risk of disease or a health-related condition that is diet related. The provision provides for exceptions to this rule, but the levels of fat and saturated fat that increase the risk must be disclosed. Sections 403(r)(2)(A) (iii)-(v) have been amended so that the size of the required disclosure statement may be smaller than the size of the claim if the Secretary finds a smaller size would be appropriate, but in no event may the disclosure statement be smaller than one-half the size of the claim.

Section 403(r)(2)(A)(vi) has not been amended. That provision provides that the Secretary may prohibit any claim that is misleading in light of the level of another nutrient. Under this authority, the Secretary could also require statements on the labeling of the type required by sections 403(r)(2)(A) (iii)-(v).

The disclosure required in section 403(r)(2)(B), which applies any time that a claim of the type described in section 403(r)(1)(A) (such as "low salt") is made, has been shortened to "See — for nutrition information.", with the blank referring to the nutrition panel. However, the statement must also identify any nutrient found by the Secretary to increase the risk of disease or a health-related condition to persons in the general population. Thus, if the Secretary found that fat in a food that made a claim described in section 403(r)(1)(A) increased that risk, then the statement would read "See [nutrition panel] for information about fat and other nutrients."

Section 403(r)(3) refers to disease claims (such as "fiber prevents cancer"). Section 403(r)(3)(A)(ii) prohibits a disease claim on food if it contains other ingredients that are associated with a health risk. However, that provision has been changed to provide that the Secretary may permit such a claim even if the food contains an ingredient associated with a health risk based on a finding that the claim would assist consumers in maintaining healthy dietary practices. In that event, the label must refer to the nutrient

panel in accordance with the rules in section 403(r)(2)(B) and discussed above.

Section 403(r)(4) provides for petitions to the Secretary to issue regulations relating to health claims. The provision has been amended to provide that the Secretary must take initial action on the petition within 100 days, by either filing the petition (on the grounds that it is not deficient and not obviously defective) or denying the petition. A petition that is denied shall not be made available to the public. However, once the petition is filed then it will be made available, unless disclosure is specifically prohibited by another provision of law.

Section 403(r)(4)(A)(iii) has been added to provide a petition procedure for implied content claims in brand names (such as "Diet Orange Juice" which implies that the product is low in calories). Under this provision, the Secretary must act on such a petition within 100 days, and the petition will be considered granted if the Secretary does not act within that period of time. However, the Secretary is expected to provide an opportunity for public comment on such a petition, and any decision would be subject to judicial review.

Section 403(r)(4)(C) has been added to provide that in considering any petition for a disease claim regulation, the Secretary must consider any report from an authoritative scientific body of the United States (such as the National Cancer Institute) and the Secretary must justify any decision rejecting the conclusions of the report.

Section 403(r)(5)(B) has been amended to provide that restaurants that use content descriptors in connection with the sale of food (for example, the use of the word "light" or "low" on a menu) must comply with the regulations issued by the Secretary under section 403(r)(2)(A)(i). Restaurants would also be prohibited from stating the absence of a nutrient in food unless they complied with section 403(r)(2)(A)(ii). However, restaurants would be exempt from the disclosure requirements in sections 403(r)(2)(A) (iii)-(v) and 403(r)(2)(B).

A number of clarifying provisions have been added to section 3(b), which gives the Secretary direction concerning the regulations that must be issued to implement section 403(r). Under section 3(b)(1)(A)(iii), the Secretary is required, in the regulations, to define the circumstances under which statements disclosing the amount and percentage of nutrients in food will be permitted. Those statements must be consistent with the terms that the Secretary has defined under section 403(r)(2)(A)(i) and they may not be misleading under section 403(a) in current law.

Thus, if the Secretary defined "low fat" as less than 1% fat for a particular category of food, the Secretary might conclude that the statement "Less Than 1% Fat" is consistent with the defined term. However, the Secretary might conclude that the statement "Less Than 2% Fat" is not consistent with the definition of "low" because it implies that the product is low in fat when it is not. Following a similar analogy, the Secretary might prohibit the statement "98% Fat Free" while permitting the statement "More Than 99% Fat Free" for a product where "low fat" has been defined as less than 1% fat.

Section 3(b)(1)(A)(viii) makes it clear that in defining terms under section 403(r)(2)(A)(i), the Secretary may also identify and permit the use of terms that are commonly understood to have the same meaning. However, the law would prohibit the use of any term that characterizes the level of a nutrient unless that term is defined by the Secretary.

Section 4 has been amended to limit state actions to enforce federal law to civil actions under the Federal Food, Drug and Cosmetic Act. In addition, the scope of this provision has been expanded to included other provisions in the Act. Finally, a provision has been added (section 307(b)(2)(B)) to permit the Secretary to delay any State action for 90 days if the Secretary notifies the State that the Secretary has initiated an enforcement action. However, the State may commence the action at the end of the 90-day period, unless the Secretary has entered into a formal, written settlement of the matter or has filed a judicial action in the name of the federal government.

Section 6, which provides for the preemption of certain State laws, has also been expanded. In the bill reported out by the Committee, State requirements pertaining to nutrition labeling and health claims were prempted unless they were identical to the federal requirements. Section 6 has been expanded to provide for preemption of certain, other State laws that are not identical to certain provisions of section 401 pertaining to standards of identity and section 403 pertaining to the label on foods.

Under section 403A(a)(1), State requirements for foods that are subject to a standard of identity are preempted unless identical to the federal requirements. A standard of identity is a recipe established by federal regulation that requires that food have specified ingredients. For example, ice cream and many other dairy products are subject to standards of identity. Under this provision, a standard of quality and identity would be treated as a standard of identity. Section 10(b)(1)(A) provides that section 403(A)(a)(1) will become effective upon the date of enactment.

Section 403A(a)(2) provides for preemption of State requirements for labeling of food of the type required by section 403(c) (imitation labeling), 403(e) (name and address of the manufacturer and net weight) and 403(i)(2) (ingredient labeling). Section 10(b)(1)(B) provides that this section will become effective one year from the date of enactment.

Section 403A(a)(3) provides for preemption of certain other sections of 403 that all pertain to the food label. Prior to the time that this section would become effective, the Secretary must undertake a study of federal standards. Any provisions that have not been adequately implemented by federal regulations would not be preempted until additional federal regulations are issued.

Section 403A(a) (4)-(5) contains provisions for preempting State laws on nutrition labeling and claims that are similar to the provisions included in the bill reported by the Committee.

Prior to the effective dates of the various provisions in section 403A, it is anticipated that the States and the federal authorities will work to strengthen and harmonize federal laws. Hopefully, the States will focus their energies in that direction rather than in the direction of issuing additional laws that would ultimately be preempted by section 403A.

Section 403A(b)(1) states that section 403(a) does not apply to any requirement for a statement in food labeling (including statements on the label) that provides a warning concerning the safety of the food or a component of the food. This section may be unnecessary because section 403 does not require health warnings and therefore, by the terms of section 403A, state laws requiring health warnings would not be preempted. Nevertheless, section 403A(b)(1) has been included to underscore that State laws requiring warnings pertaining to the safety of foods are not preempted.

State laws pertaining to the following matters would also not be preempted: open date labeling; unit price labeling; grade labeling; container deposit labeling; religious dietary labeling; item price labeling; organic labeling; and previously frozen labeling. This is not intended to be a complete list of State labeling laws that are not preempted.

Section 403A(b)(2) permits State petitions for exemptions from the preemption in 403A(a). This provision has been revised in accordance with the revisions in section 403A(a).

Section 6(b)(1) requires the Secretary to enter into a contract for a study of State and local laws of the type that will be preempted by section 403(a)(3), and of the relevant federal laws and regulations. The purpose of this study is to provide the Secretary information upon which to determine whether federal laws are adequate once the State laws are preempted. It is anticipated that the study will identify all federal regulations that are applicable as well as State laws that will be preempted. The study should also survey local laws, but it is not anticipated that every local law will need to be identified. Section 6(b)(2) provides that the study must be completed within 6 months.

Under section 6(b)(3), the Secretary must, nine months after enactment, determine which of the federal laws listed in section 403A(a)(3) are adequately being implemented and which are not being adequately implemented. Adequate implementation does not contemplate the base minimum. Instead, after examining the State activity in these areas, the Secretary must determine whether the sections listed in 403A(a)(3) are being fully implemented either by enforcement of those sections or by regulations. After the lists are published, 60 days will then be permitted for comment.

Section 6(b)(3)(B) provides that within 18 months of enactment, after evaluating any comments received, the Secretary shall publish a final list of sections that are adequately being implemented by regulations and a list of sections that are not being adequately implemented. As to any sections being adequately implemented, State laws not identical to those sections will be preempted at that time.

As to any sections not being adequately implemented, the secretary is required to issue proposed regulations at the time the Secretary makes that finding. The final regulations must be implemented six months later.

Section 6(b)(3)(D) provides that the proposed list and the proposed regulations will become effective if the Secretary misses the deadline for final regulations. This provision, which is similar to provisions that are included elsewhere in the statute, is intended to pressure the Secretary to meet the Congressional deadlines for issuing regulations.

There may be State laws that the Secretary finds are valuable, but which, for whatever reason, should not be adopted on a national scale. Under section 10(b)(2), a State may petition to retain the effectiveness of that law under section 403A(b)(2). If the State petition is submitted within 9 months of enactment, then the State will not be

preempted with respect to sections 403A(a)(3)-(5) until 18 months after the date of enactment or action on the petition, whichever occurs last.

There is no analogous provision for paragraphs (1) and (2) of section 403A(a), which will become effective immediately in the case of paragraph (1) and within one year in the case of paragraph (2). However, the States may submit petitions under section 403A(b)(2) and the Secretary is expected to act on such petitions promptly.

Section 7 would eliminate two significant exceptions to the mandatory ingredient labeling requirements in section 403 of the Federal Food, Drug and Cosmetic Act and would impose new requirements for the labeling of fruit and vegetable juices. Section 7(1) would repeal the exception to mandatory ingredient labeling that is currently provided to products covered by standards of identity, the only major category of products exempted under current law.

Section 7(2) would require statements as to the percentage of fruit or vegetable juice contained in products sold as such juice. The Secretary is expected to give the industry guidance as to how this information should be calculated.

Section 7(3) requires that color additives subject to certification under section 706(c) of the Federal Food, Drug and Cosmetic Act be identified on the food label. This section is intended to require the listing of all the coal tar dyes that are permitted in foods, but not to require the listing of natural colors. The 10 dyes that would be covered are listed at 21 C.F.R. 74.101-74.710. The colors may be identified by the shortened version of their name ("Blue 2" rather than "FD&C Blue No. 2"). This section will become effective one year from enactment.

Section 8 eliminates the formal rulemaking requirement for standards of identity, so that standards of identity may be modified or issued under simple notice and comment procedures. This should assist the Secretary in bringing the definitions of the descriptors required by standards of identity (such as "low fat milk") into compliance with the definitions issued under the Act. Section 8 will become effective on the date of enactment.

Mr. Speaker, before going any further I yield 5 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], who I mentioned has played such an important role in this legislation, and I would like to acknowledge at this time the great work and contribution he has made to that and thank him for it.

Mr. MOAKLEY. Mr. Speaker, it is with great pleasure that I come before you today to express my very strong support for H.R. 3562, the Nutrition Labeling and Education Act of 1990. This issue is very important to me and I thank the gentleman from California [Mr. WAXMAN] for his tireless efforts to bring a strong, responsible, and fair nutrition labeling bill to the floor. I know that he and his staff have spent many months working on this legislation. He has been able to accommodate many of the valid concerns of business and still produce an excellent bill that will serve the consumers in the country well.

For the first time, consumers will be able to purchase foods with nutrition content labeling on all packages. Currently only about half of the food products on the grocers' shelves contain nutrition information on the label. Of those only the ones making specific health, diet, or nutrition claims are required by law to list nutrition contents. Additionally, existing labeling on foods is often inadequate for today's consumer needs. It is also confusing and, in some cases, very misleadng. Terms such as "litte," "high fiber," and "low cholesterol," which now have litle or no guidelines, will be defined and their use restricted to the FDA definition. This bill will help curb misleading claims and will direct the Food and Drug Administration to present information in a format that will enable consumers to better understand and utilize this information in the context of the total daily diet.

Last year I introduced legislation called the Food Labeling and Heart Disease Reduction Act which focused on our Nation's No. 1 killer, heart disease. Over half a million Americans die each year from cornary heart disease. Over 1.25 million people suffer heart attacks annually. And, in 1985, the cost of lost productivity and direct health care expenditures due to illness and deaths from heart disease was an estimated $49 billion.

Although the causes of heart disease are multifactorial, including genetic predisposition, there are three major modifiable risks factors to help prevent heart disease—high blood cholesterol, high blood pressure, and cigarette smoking. The first two are directly influenced by diet. In order to reduce these risk factors through diet, the Surgeon General, the American Heart Association, and other health authorities have recommended specific dietary guidelines. And while surveys have shown that increasing numbers of Americans are concerned about their diets and reducing the risk of heart disease and other aliments, there is no requirement on the current nutrition label that manufacturers include this necessary information to meet these guidelines.

My legislation would have required a relatively simple restructuring of the nutrition label to include this important, potentially lifesaving information to enable consumers to make informed, educated decisions on food purchases. I am pleased to report that Chairman WAXMAN has graciously included much of the language in my bill in this comprehensive nutrition labeling bill.

Mr. Speaker, at this time I especially want to thank the gentleman from Illinois [Mr. MADIGAN] for his outstanding efforts on this matter. I know how hard he and his staff worked in putting this bill together.

I urge my colleagues to join me in passing this landmark nutrition labeling initiative.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support H.R. 3562 as amended. Neither Federal regulation of nutrition labeling nor industry efforts have kept pace with scientific knowledge about diet and nutrition. Consumers today are confronted with a variety of labels that provide them with disjointed and confusing information. This bill is an effort to remedy this situation while allowing FDA sufficient flexibility to modify the rules when valid, new scientific information is presented. Given increased consumer awareness and advances in our scientific knowledge on the relationship between diet and health, this legislation is very timely.

In the past few years, important scientific evidence has been repeatedly reported that clearly links dietary habits to good health. For this reason, the need to provide consumers with better information about the foods they eat is important. The question before us today is how can consumers be most effectively informed about these risks and be given the ability to make the most appropriate choices for themselves.

I think the amended version of H.R. 3562 effectively accomplishes this goal by providing complete and meaningful information to the consumer. It strikes the right balance in providing consumers with information, without being overly burdensome on industry.

The main features of the bill require mandatory nutrition labeling for most foods that will be uniform throughout the country. It also requires that claims that products have certain characteristics such as "low fat" and "light" must meet definitions established by the FDA for the use of these characteristics. In addition, the bill will also provide for the regulation of health claims in order to ensure that these claims are scientifically valid.

The bill before us represents innumerable hours of negotiation with the food industry and consumer groups that have taken place since the bill was reported by the Energy and Commerce Committee. The bill is fair to both consumers and industry in that it emphasizes disclosure of all valid and relevant information to the consumer, while providing the industry with uniformity of law in a number of important areas that will permit them to conduct their business of food distribution in an efficient and cost-effective manner. I am pleased to say that this bill is now supported by the Grocery Manufacturer's Association, the National Food Processors Association, the Food Marketing Institute, the National Grocer's Association, and a significant number of public health and consumer groups.

I would like to express my appreciation to the distinguished chairman of

the Health and Environment Subcommittee for his willingness to work out the many concerns that have been raised about this bill. I would also like to thank his staff, Bill Schultz, for the many hours of work he put in to reach the consensus we have achieved on this bill. In addition, David Meade, of the Office of Legislative Counsel, deserves credit for the considerable time he devoted to the crafting of this legislation.

I urge my colleagues to join me in supporting this bill.

Mr. Speaker, I reserve the balance of my time.

□ 1550

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, this is the second very important health care legislation we are considering today. It is extremely important that we realize that although it is obviously not health care legislation, this could have as great an impact as anything this body could do to promote the health of all Americans.

The previous piece of legislation we considered would help put doctors in underserved areas across our great country.

This legislation will allow all Americans, every time they go to the grocery store to shop, to purchase foods that are good for them and for their families.

We are lucky in America. We enjoy some of the greatest stores in the world's history of any place on Earth today. We have been misled in the past, sometimes, by products that are not fairly labeled, products that do not tell the whole truth on the label, and it has become almost an exercise in frustration to go to the grocery store today and try to shop for the most healthful needs of your family.

So this bill will go a long way toward enabling the consumers every time they go to the grocery store, to shop for the foods they really need and deserve.

My interest in this came 5 or 6 years ago when I learned how many products were mislabeled in terms of "lite" and "lean." Virtually every product in the store had, it seemed, lite or lean somewhere plastered on the front of the package. But if you read the label carefully, if there was a label, you discovered these products were not as lite or lean as they bragged about being.

This is just one slender aspect of this bill. This bill touches all dimensions of food labeling. I think it is a tribute not only to the chairman of the subcommittee, the gentleman from California [Mr. WAXMAN], but also the gentleman from Illinois [Mr. MADIGAN] for crafting legislation with this power and with this remarkable degree of unanimity.

Mr. Speaker, food labeling bills are very, very difficult to pass. It is almost unheard of them to be brought to the floor on suspension. I think it is a tribute to these two fine gentlemen that they were able to fashion a compromise of this magnitude and scope, and I think it will be good for the health of all Americans that this bill be passed.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is a tremendously significant consumer advance. Those of us who have tried to watch our diets, tried to watch the food we eat, and to follow the regime suggested by the Surgeon General have been frustrated by the fact that we have not had the information on food products that could provide us the information that we need to follow those recommendations.

Those of us who watch our caloric intake have been misled many times by misleading serving size information on products.

This kind of deception will be corrected as we now move legislation for mandatory nutrition labeling. There are labels now, but there is no requirement that there be nutritional labels on products. They are done voluntarily.

This legislation would require full information so that consumers will get the kind of information they want.

Consumers do want to know about calories. They want to know about fiber and sodium. They want to know about cholesterol. There are the macroingredients that can help us as we design our diets.

So often, we are told about minor nutrients that have some relevance but not a great deal of relevance to most people.

And then there is the issue of health claims. Prior to the mid-1980's, health claims were simply not permitted. A health claim on a food product turned that food product, in a legal sense, from a food to drug because if the health claim were made, then the product had to go through the approval process at FDA to show the efficacy of that claim was valid, the same as would be required by a pharmaceutical.

That was an awfully stringent requirement. And in the attempt to liberalize the rules, the FDA opened the door to any health claim rather than closing the door to any health claim.

What we have sought to do is to permit health claims but only health claims based on scientifically valid information, and we hope by having that scientifically valid information upon which a claim can be made, that health claims in the future will be healthful and not misleading.

So there are two purposes of the legislation: give consumers nutrition information about the products they are consuming; and, second, prohibit misleading health claims.

We have had other concerns that have been raised, and we tried to deal with those concerns. We have had amendment after amendment of this legislation in subcommittee, in committee and even as of the time we moved to the floor of the House.

We tried to deal with questions that have been raised. For example, what kind of information should be given on fresh fruits and vegetables? There are nutritional values to these products, consumers ought to know about it, but then the question is raised how these bits of information should be given out.

We tried to be as flexible as possible in establishing the way the information would be given out. And I think we have worked out a compromise that has satisfied everyone so that grocers will furnish this information, either through leaflets that would be distributed or signs that would be posted. These are certainly not onerous requirements for fresh fruit or vegetable product.

So we have a bill of which we can all be proud. I think it is a strong, a good consumer bill, it is a good health bill.

I would hope that Members see fit to support it.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, at this time I would appreciate engaging the distinguished chairman of the subcommittee in a colloquy if I may.

Mr. Chairman, on page 23 of the report in section 3, reference is made to the use of the term lite "butter," and it is further referred to in two footnotes on the bottom of that page.

My inquiry is whether it would be within the authority of the FDA under the language we have been discussing to authorize the marketing of a product called lite butter that achieved not only the standards in the footnote but indeed, if it were possible, a product that could be 35 or 40 percent milk fat, and with a third less calories as long as it were not nutritionally inferior and kept other characteristics of butter and were properly labeled. In other words, my point is whether or not we are able to meet but perhaps to exceed some of the characteristics referred to in section 3? I wanted to insure that FDA retained that authority, as I believe section 3 of the report indicates that its does.

□ 1600

Mr. WAXMAN. Mr. Speaker, if the gentleman will continue to yield and would permit me to respond to that, it would be in the FDA's discretion to determine the characteristics of light butter.

Mr. TORRICELLI. Inquiring further if I could, as I am certain the gentleman is aware, in April 1990, there was submitted to FDA a citizen petition for establishment of a common or usual name regulation for such a product. In other words, using the term "light butter." I understand from the gentleman's comments that under the language of the bill, it would be within the FDA's authority to grant that petition; does that continue to be the case?

Mr. WAXMAN. The gentleman's understanding is correct, to my knowledge.

Mr. BRUCE. Mr. Speaker, H.R. 3562 is much needed legislation. In the past 15 years, eating habits have changed and our knowledge of nutrition has grown. Several groups, including the American Heart Association and the National Academy of Sciences indicate that we need to pay closer attention to our diet.

The bill on the floor today is a result of weeks of discussions between committee staff and industry. I am pleased that the resulting bill expands the uniformity provisions, but an important provision on health warnings was omitted.

This omission may have major ramifications for the food industry. The United States has a national food production, distribution, and marketing system. Consumers on the west coast eat the same nationally marketed food brands as their counterparts on the east coast. The industry has a huge task ahead of them and that is the job of changing the more than 20,000 labels in a typical grocery store. For example, one company estimated that to accommodate any one State with unique food labeling requirements would require additional costs of up to $3 million for design and engraving and up to $15.6 million in additional packaging material costs annually and unique State labeling requirements would necessitate the routing of more trips of shorter distances requiring more trucks and increased fuel costs, all of which contribute to the final sales price paid by the consumer.

In H.R. 3562, the House has taken a great step forward in establishing uniformity and clarifying the Federal-State relationships for certain aspects of food labeling. The House clearly has chosen to deal specifically with selected nutrition provisions of the Food, Drug, and Cosmetic Act. However, the Food, Drug, and Cosmetic Act is very complex and broad in scope; it contains numerous other provisions dealing with foods and other products. In adopting this bill, the House expresses no opinion about the matter of uniformity in respect to those other provisions.

Federal courts have on prior occasions determined that the Food, Drug, and Cosmetic Act preempts State activity in areas encompassed by the act. For example, in the *Rath Packing* case (430 U.S. 519 [1977]), the Supreme Court held that the act preempted State requirements. Similarly, U.S. appeals courts held that Federal requirements preempted State rules in *Committee for Accurate Labeling and Marketing* v. *Brownback* (665 F. Supp. 880 [D. Kan. 1987]) and in *Cosmetic Toiletry and in Fragrance Association* v. *Minnesota* (440 F. Supp. 1216, 1222-23 [D. Minn. 1977]). It is likely that Congress in future legislative matters affecting other areas of the act will have the opportunity to address these other aspects of uniformity. FDA and the courts remain free to establish national uniformity in all the areas not covered by this legislation.

Mr. EMERSON. Mr. Speaker, I rise in support of this bill, which through modifications, has come to enjoy the support of industry, as well as consumer groups. H.R. 3562 will move the Food and Drug Administration forward in meeting consumer food information needs, which are increasingly important as the relationship between diet and health becomes better understood.

I am also pleased to note that the bill includes a provision, section 3(b)(1)(A)(v), which makes clear the authority of the Secretary to allow claims to be made for butter products with less than 80 percent fat. Very appropriately, the committee report indicates that the Secretary may permit such claims using whatever term the Secretary deems appropriate. There is no intention in this legislation to prejudge which terms may be used. A review by the Secretary to determine what terms would be appropriate as descriptive of the product and consistent with the regulation of other food labeling statements is envisioned. The Secretary may deem it appropriate to allow for these dairy spreads and butter products to be labeled under regulations governing common or usual names.

Whatever nomenclature is decided upon by the Secretary, it is a sound step forward to permit dairy spreads to bear claims that will help consumers understand the character of the product being offered to them.

Mr. TAUKE. Mr. Speaker, I rise in support of H.R. 3562, the Nutrition Labeling and Education Act. This legislation will for the first time require that most foods be labeled for nutritional content, providing consumers with the information they need to select more healthful diets, standardizing label format and content, and clarifying the basis for making health claims about foods.

It was my pleasure to participate in the development of this legislation, and I wish to especially thank my colleagues Congressman HENRY WAXMAN and Congressman ED MADIGAN for their efforts to perfect this legislation and bring it to the House floor.

Over the past several years, we have made great strides in understanding the role of diet generally and specific types of food in particular in promoting health. H.R. 3562 reflects this knowledge and translates it into meaningful labels for the American consumer.

Mr. McMILLEN of Maryland. Mr. Speaker, the Nutritional Labeling and Education Act, H.R. 3562, is scheduled for consideration today. This legislation will provide for national uniformity in nutritional labeling on food products supplied to consumers. Unfortunately, this bill does not provide for similar uniformity in health warning labels. Because I believe that, overall, the bill is a positive step toward national uniformity in food labeling, I am lending my support toward passage of this bill. However, I must voice my disappointment that this legislation is silent on the issue of health warnings.

Without national uniformity requirements for health warnings on food labels, manufacturers are forced to continue operating in a system of patchwork regulations. It should be evident that this is yet another example of how the United States continues to perpetuate hurdles to its own competitiveness in the international market place. By requiring manufacturers to abide by 50 different State labeling regulations we are in effect legislating higher prices and wasted resources; the direct result of which is to place ourselves behind foreign competition. It is ironic to consider that as Europe is rapidly moving toward cohesion in its domestic market place, thereby increasing its international competitiveness, America is simultaneously moving toward greater diversity.

I am hopeful that Congress will see fit to address the issue of national uniformity in health warning labels in the near future. American products can and will become more competitive in the world market but not unitl we eliminate these self-created handicaps.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 3562, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REGARDING A MEMORIAL TO GEORGE MASON IN THE DISTRICT OF COLUMBIA

Mr. MANTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3687) to authorize the Colonial Dames at Gunston Hall to establish a memorial to George Mason in the District of Columbia, as amended.

The Clerk read as follows:

H.R. 3687

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

SECTION 1. AUTHORITY TO ESTABLISH MEMORIAL.

(a) IN GENERAL.—The Board of Regents of Gunston Hall is authorized to establish a memorial on Federal land in the District of Columbia or its environs to honor George Mason.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Act entitled "An Act to provide standards for placement of commemorative works

on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1001, et seq.).

SEC. 2. PAYMENT OF EXPENSES.

The United States shall not pay any expense of the establishment of the memorial.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILLMOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. MANTON] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. GILLMOR] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3687, as amended, authorizes the establishment of a memorial to George Mason as an addition to an existing legislatively established commemorative work, the George Mason Memorial bridge. While the southbound lanes of the 14th Street Bridge have been designated as the George Mason Memorial Bridge pursuant to a law enacted in the 86th Congress, this fact is not generally known, even to area residents. At no expense to the Federal Government, a memorial would be constructed on the flank of that bridge to better commemorate the author of the Virginia declaration of rights and a principal architect of the Bill of Rights. This legislation is necessary in the event that the flank of the northern end of the bridge is chosen as the site for that memorial. The Senate has already acted on the companion bill, S. 1543. At this time I urge my colleagues to support passage of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3687, which authorizes the board of regents of Gunston Hall to build an addition to the existing memorial to George Mason.

George Mason, author of the Virginia bill of rights upon which our Nation's Bill of Rights is based, was an outstanding statesman and Founding Father of our country. The board of regents of Gunston Hall, Mason's home, would like to memorialize this exemplary Founding Father of our country further by erecting a monument to him. With their involvement, the board of regents will help to ensure our youth are educated about the contribution George Mason made to the birth of our country.

Mr. Speaker, I urge my colleagues to join me in supporting passage of H.R. 3687.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I rise to urge passage of H.R. 3687, legislation which I introduced to authorize the erection of an appropriate memorial at the foot of the George Mason Memorial Bridge, which is the southbound span of the 14th Street Bridge over the Potomac River.

Next year, we will celebrate the 200th anniversary of the ratification of the Bill of Rights, which was derived from the Virginia declaration of rights, authored by George Mason. George Mason, the father of Virginia's 1776 Constitution, insisted that Virginia's Constitution provide real protections for the ordinary citizen out of concern over what kind of government would ultimately lead this country.

In Virginia's declaration of rights, Mason wrote that "government is, or ought to be, instituted for the common benefit, protection, and security, of the people, nation, or community, of all the various modes and forms of government that is best, which is capable of producing the greatest degree of happiness and safety, and is most effectually secured against the danger of mal-administration; and that whenever any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, unalienable, and indefeasible right to reform, alter, or abolish it, in such manner as shall be judged most conducive to the public will."

The contributions of George Mason to the success of this Nation cannot easily be quantified—perhaps, however, we can best pay tribute to his contributions by taking just 1 minute to reflect on what our lives would be like without the Bill of Rights, and, second, whether our country would still exist in its current form today if the Bill of Rights had not been added to the Constitution.

Mr. Speaker, I urge my colleagues to support this bill to erect, at no cost to the Federal Government, a memorial in tribute to one of the most important Founding Fathers of the greatest democracy in the world.

Mr. Speaker, I include the Virginia declaration of rights, as follows:

VIRGINIA DECLARATION OF RIGHTS

ORDINANCES & C.

(A Declaration of Rights made by the representatives of the good people of Virginia, assembled in full and free Convention; which rights do pertain to them, and their posterity, as the basis and foundation of government.)

1. That all men are by nature equally free and independent, and have certain inherent rights, of which, when they enter into a state of society, they cannot, by any compact, deprive or divest their posterity; namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety.

2. That all power is vested in, and consequently derived from, the people; that magistrates are their trustees and servants, and at all times amenable to them.

3. That government is, or ought to be instituted for the common benefit, protection, and security, of the people, nation, or community, of all the various modes and forms of government that is best, which is capable of producing the greatest degree of happiness and satety, and is most effectually secured against the danger of mal-administration; and that whenever any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, unalienable, and indefeasible right, to reform, alter, or abolish it, in such manner as shall be judged most conducive to the publick weal.

4. That no man, or set of men, are entitled to exclusive or separate emoluments or priviliges from the community, but in consideration of public services; which, not be descendible, neither ought the offices of magistrate, legislator, or judge, to be hereditary.

5. That the legislative and executive powers of the state should be separate and distinct from the judiciary; and that the members of the two first may be restrained from oppression, by feeling and participating the burthens of the people, they should, at fixed periods, be reduced to a private station, return into that body from which they were originally taken, and the vacancies be supplied by frequent, certain, and regular elections, in which all, or any part of the former members, to be again eligible, or ineligible, as the laws shall direct.

6. That elections of members to serve as representatives of the people, in assembly, ought to be free; and that all men, having sufficient evidence of permanent common interest with, and attachment to, the community, have the right of suffrage, and cannot be taxed or deprived of their property for publick uses without their own consent, or that of their representatives so elected, nor bound by any law to which they have not, in like manner, assented, for the publick good.

7. That all power of suspending laws, or the execution of laws, by any authority without consent of the representatives of the people, is injurious to their rights, and ought not to be exercised.

8. That in all capital or criminal prosecutions a man hath a right to demand the cause and nature of his accusation, to be confronted with the accusers and witnesses, to call for evidence in his savour, and to a speedy trial by an impartial jury of his vicinage, without whose unanimous consent he cannot be found guilty, nor can he be compelled to give evidence against himself; that no man be deprived of his liberty except by the law of the land, or the judgment of his peers.

9. That excessive bail ought not to be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

10. That general warrants, whereby any officer or messenger may be commanded to search suspected places without evidence of a fact committed, or to seize any person or persons not named, or whose offence is not particularly described and supported by evidence, are grievous and oppressive, and ought not to be granted.

11. That in controversies respecting property, and suits between man and man, the

ancient trial by jury is preferable to any other, and ought to be held sacred.

12. That the freedom of the press is one of the great bulwarks of liberty, and can never be restrained but by despotick governments.

13. That a well regulated militia, composed of the body of the people, trained to arms, is the proper, natural, and safe defence of a free State; that standing armies, in time of peace, should be avoided, as dangerous to liberty; and that, in all cases, the military should be under strict subordination to, and governed by, the civil power.

14. That the people have a right to uniform government; and therefore, that no government separate from, or independent of, the government of *Virginia*, ought to be erected or established within the limits thereof.

15. That no free government, or the blessing of liberty, can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles.

16. That religion, or the duty which we owe to our C R E A T O R, and the manner of discharging it, can be directed only by reason and conviction, not by force of violence, and therefore all men are equally entitled to the free exercise of religion, according to the dictates of conscienies; and that it is the mutual duty of all to practice Christian, love, and charity, towards each other.—Drawn originally by George Mason and adopted by the General Convention June 12, 1776.

Mr. GILLMOR. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Speaker, I rise in support of H.R. 3687—which authorizes the establishment of a memorial, built with non-Federal funds, on Federal land—to honor George Mason in the District of Columbia.

George Mason was a wealthy landowner, neighbor, and friend of George Washington, and in the words of Thomas Jefferson, "a man of the first order of wisdom * * * profound judgement * * * [a man] of the first order of greatness."

Mason wrote the Virginia Declaration of Rights, which served as the basis of our own Declaration of Independence and the first 10 amendments to the Constitution, the Bill of Rights. George Mason was a man of such principle that he refused to sign the original Constitution because it omitted the guarantees of individual freedom which he set forth in his Declaration of Rights. The validity of his position was acknowledged by the swift adoption of the first ten amendments.

Mr. Speaker, in Robert Rutland's book, "George Mason: Reluctant Statesman," Dumas Malone of the University of Virginia has written a foreword which capsulizes George Mason's contributions to our heritage. I insert this foreword at this point in the RECORD.

FOREWORD

That the name of George Mason should be acclaimed throughout the Republic whose birth pangs he shared, and indeed throughout the free world, will be agreed, I believe, by all American historians. He was the author of the Virginia Declaration of Rights, which was adopted three weeeks, before the national Declaration of Independence; and in this he charted the rights of human beings much more fully than Jefferson did in the immortal but necessarily compressed paragraph in the more famous document. Of the contemporary impact of Mason's Declaration there can be no possible question. Draftsmen in other states drew upon it when they framed similar documents or inserted similar safeguards of individual liberties in their new constitutions. Universal in its appeal, it directly affected the French Declaration of the Rights of Man and the Citizen of 1789. In our own time it is echoed in the Declaration of Human Rights of the United Nations. Writing in his old age, Lafayette said: "The era of the American Revolution, which one can regard as the beginning of a new social order for the entire world, is, properly speaking, the era of declarations of rights." More than any other single American, except possibly Thomas Jefferson, whom in some sense he anticipated, George Mason may be regarded as the herald of this new era; and in our own age, when the rights of individual human beings are being challenged by totalitarianism around the world, men can still find inspiration in his noble words.

The fact that Jefferson rather than Mason became the major American symbol of individual freedom and personal rights is attributable to no difference between the two men in basic philosophy, but was owing rather to the subsequent course of events and the accidents of history. Mason was by no means a minor figure in his own time; besides the Declaration of Rights he was the main author of the Virginia Constitution of 1776; and, because of his recognized wisdom, he was constantly consulted by other leaders. But, partly because of health, partly because of family cares, partly because of temperament, he was, in Mr. Rutland's apt phrase, a reluctant statesman. At times other leading Virginians sought to escape the burdens and responsibilities of public service—Jefferson being a good example—but no one of them carried reluctance to the same degree as Mason, who loathed routine legislative tasks and had no stomach for any sort of political intrigue. Venturing from home and his family as little as possible, he did not often leave Virginia. Thus, even in his own time, circumstance made this man of universal mind more a local than a national figure. As the architect of the new government in his own commonwealth he had shown himself to be constructive, but in connection with the new federal Constitution his own deep convictions caused him to assume a negative role and even to seem obstructive. As a delegate to the Federal Convention, he declined to sign the document which emerged from those closed sessions in Philadelphia; he opposed ratification in his own state and went down in defeat. His chief objection to the new frame of government was that it lacked the sort of guarantees of individual freedom which he had set forth in his Declaration of Rights; and also that is went further than was necessary toward centralization, thus endangering local rights and liberties. Opposition of the sort he symbolized had a positive result in the adoption of the first ten amendments to the Constitution—the national Bill of Rights—and to that extent his contemporaries recognized the validity of his position. The triumphant Federalists were not kind in their judgment of their opponents, however; even George Washington was cool toward his old friend and neighbor. Furthermore, Mason's objections to Hamiltonian consolidation gave him a black mark in the history the partisans of the first Secretary of the Treasury did so much to write. It should be noted that Jefferson likewise protested against the omission of a bill of rights from the Constitution and eventually offered similar objections to Hamilton's policy. But Jefferson lived to achieve vindication in his own election to the presidency, by which time Mason was long since dead.

In his own "country"—that is, Virginia—Mason was and remained an honored prophet. Indeed there were those, like the historian of the Virginia Convention of 1776 who regarded the Declaration of Rights as a loftier work than the Declaration of Independence, which was in considerable part a political manifesto, designed to justify a change in government. Comparisons of this sort, if not odious, are quite unnecessary, for the two documents breathe the same philosophy. But the later national pronouncement can be advantageously supplemented by the fuller state declaration, and in certain cases Mason's language may be preferred. A good example follows:

"That all men are by nature equally free and independent, and have certain inherent rights, . . . namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety."

The author of the Declaration of Independence, who claimed no originality for his production, had nothing but praise for the author of the Declaration of Rights. Jefferson described Mason as "a man of the first order of wisdom among those who acted on the theatre of the Revolution, of expansive mind, profound judgment, cogent in argument, learned in the lore of our former constitution, and earnest for the republican change or democratic principles." Mason, he said, was a man "of the first order of greatness."

The story of such a person cannot fail to be of wide, and should be of universal, interest. The purpose of this body is something more than to inscribe his name in larger letters on the list of eminent champions of individual freedom. It is also to make him live again as a human being. There is no need to anticipate here the human story which the author of this book tells so well, but I cannot refrain from pointing out that Mason provides a striking example of the spirit of *noblesse oblige*, for he was born to wealth and a privileged position, just as Jefferson was. Such men cannot be explained in terms of economic determinism. Every reader is entitled to find his own answer to the question, why this master of broad acres and scores of slaves laid supreme emphasis on man's freedom and found tyranny of all sorts abominable. It may be suggested, however, that the spirit of liberty appears in high places as well as low—that, in fact, it assumes its nobles form when most disinterested. Rarely has it appeared in nobler form than in George Mason.—Dumas Malone, University of Virginia.

Mr. GILLMOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MANTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. MANTON] that the House suspend the rules and pass the bill, H.R. 3687, as amended.

The question was taken.

Mr. GILLMOR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MANTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 3687, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE NATIONAL FIRE ACADEMY IN EMMITSBURG, MD

Mr. MANTON. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 183) recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

The Clerk read as follows:

H.J. RES. 183

Recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

Whereas the National Fall Firefighters' Memorial, located on the campus of the National Fire Academy in Emmitsburg, Maryland, honors the approximately 160 volunteer and career firefighters who die each year in the line of duty; and

Whereas such Memorial serves as a symbol of the courage and dedication of past, present, and future firefighters in their efforts to protect life and property: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the memorial known as the National Fallen Firefighters' Memorial, located on the campus of the National Fire Academy in Emmitsburg, Maryland, is recognized as the official national memorial to volunteer and career firefighters who die in the line of duty.

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The SPEAKER pro tempore (Mr. MAZZOLI). Under the rule, a second is not required on this motion.

The gentleman from New York [Mr. MANTON] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. GILLMOR] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 183, recognizes the fallen firefighters' memorial on the campus of the National Fire Academy in Emmitsburg, MD, as the national memorial to career and volunteer firefighters who die in the line of duty. This memorial has been established since 1981, and is already highly regarded. The resolution before us was originally authored by our colleague, the gentlewoman from Maryland [Mrs. BYRON], and was passed by this body in the 100th Congress. The Senate, however, failed to act on the bill in the last Congress.

On November 1, 1989, the Senate, finally recognizing the wisdom initially demonstrated by the House, passed Senate Joint Resolution 77, an identical bill to House Joint Resolution 183. By acting today to pass House Joint Resolution 183 we will not only reaffirm the previous judgement of this body, but afford those who have given their life in the service of others the national recognition they deserve.

I commend my colleague from Maryland for her inspiration and diligence in bringing this deserved designation to pass and urge my colleagues to support passage of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the gentleman from New York [Mr. MANTON] in support of House Joint Resolution 183, which would recognize the National Fallen Firefighters Memorial on the campus of the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

Mr. Speaker, approximately 160 volunteer and career firefighters die each year as a result of job-related injuries. This memorial to these brave citizens was erected on the campus of the National Fire Academy in 1981, and is widely respected. It is only appropriate that we recognize this memorial as the official memorial of our Nation to those firefighters who have risked and lost their lives so that others may be protected. Such bravery and such dedication deserve no less.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding this time to me, and I want to commend the gentleman who brought this measure to the floor at this time for our volunteer firemen throughout the country who have done so much for all of us in saving property and lives. This is certainly an appropriate gesture and one that is deserving of recognition by the entire body.

Mr. Speaker, I rise in support of House Joint Resolution 183, which would recognize the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

Our fire departments are perhaps the most crucial of all public services, but in many ways fire departments are the most forgotten. Perhaps this is because they are not consistently visible such as our police and postmen.

Yet the numbers show, that in the United States, a higher percentage of firefighters are killed or injured in the line of duty than are workers in any other occupation.

Accordingly, it is appropriate that there be a national memorial to honor the more than 160 firefighters who die in the line of duty each year. Our deepest sympathies go out to those families who have suffered such severe losses.

Mr. Speaker, I urge my colleagues to support this important measure.

Mr. GILLMOR. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I rise today in strong support of the House joint resolution (H.J. Res. 183) recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD.

As a member of the congressional fire caucus, I would like to take this opportunity to salute both career and volunteer firefighters across the United States. At the same time, I salute the families of those firefighters who have lost their lives in the line of duty. These brave people deserve special recognition.

The National Fire Protection Agency reports that there are a total of 4.6 fires per minute—which breaks down to approximately 1 fire every 13 seconds. Statistics show that in 1989 alone there were 111 firefighter fatalities. It is for this reason that the establishment of the national memorial to volunteer and career firefighters who die in the line of duty is a resolution well worth supporting.

One of my first official duties as a city councilman in Syracuse, was to attend the wakes and triple funeral at the cathedral for three fine young dedicated officers. These young men and their families deserve such honor and recognition and I encourage my colleagues to vote in favor of the measure.

Mr. GILLMOR. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I just want to rise in favor of this joint resolution (H.J. Res. 183) recognizing the National Fallen Firefighters Memorial at the National Fire Academy at Emmitsburg, MD. As

a member of the fire safety caucus, I particularly want to grant recognition to those volunteer firefighters, including the Federal firefighters, who have given their lives for us.

I had the occasion about 3 years ago of being the keynote speaker there, and they even rang bells to each one of the fallen firefighters, and it reminded me very much of John Donne's quotation, "For whom the bell tolls," because no man or woman is an island. We all belong to each other, and the bell tolls for each and every one of us.

So, Mr. Speaker, I stand here in support of this joint resolution and commend it to the House.

Mrs. BYRON. Mr. Speaker, I rise in support of House Joint Resolution 183, a resolution recognizing the National Fallen Firefighters Memorial in Emmitsburg, MD, as the official national memorial to career and volunteer firefighters who have died in the line of duty. The monument is located on the campus of the National Fire Academy in Emmitsburg, and has become a very significant symbol of bravery and honor for the firefighting community and their families. The men and women honored by the memorial willingly accepted the responsibilities as firefighters to protect the lives and property of others. For some, their dedication and courage led them to dangerous situations which ultimately claimed their lives.

As a representative of dozens of small communities, many times I have heard the local fire department's whistle blow, and witnessed a virtual transformation of a town. Men and women, without hesitation, rush from their jobs and families to help their neighbors. I can think of few professions and voluntary organizations which demand this unselfish attitude by both the firefighters and their families. Although the memorial lists only the names of the fallen firefighters, we know that without the support of their families, we would not have a courageous fire service.

I am extremely grateful for the support of this resolution by my distinguished colleague and chairman of the libraries and memorials subcommittee, Chairman BILL CLAY. As we know, this resolution was approved by the House in the last Congress, and I appreciate the chairman's willingness to keep it going this year. Without his interest, and the help of his staff who took a day to come to Emittsburg to see the memorial, this national recognition would not have been possible. In addition, I would like to thank the chairman of the Committee on House Administration, Chairman ANNUNZIO, and the ranking minority members of both the subcommittee and full committee, Mr. GILLMOR and Mr. THOMAS.

With this resolution, we are nationally recognizing the heroic actions and courage of the fallen firefighters. I am delighted to be able to join in this national appreciation of our fire services.

Mr. GOODLING. Mr. Speaker, Representative BEVERLY BYRON, is to be commended for her efforts to bring this legislation before the House, for it is action which is long overdue.

House Joint Resolution 183 recognizes the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty.

Each year a ceremony is held at the memorial to honor those firefighters who have given their lives to help others. It is a moment to pay tribute to these firefighters but also an opportunity to thank their families for they too have given through their loss.

I am especially pleased to note that the National Fallen Firefighters' Memorial pays tribute to both professional and volunteer firefighters. In this it is unique. The contributions of these firefighters are identical, in that each has made the ultimate sacrifice. The memorial honors them regardless of how they came to firefighting, and well it should.

Perhaps the words of Henry Wadsworth Longfellow best capture the spirit of this Memorial:

Were a star quenched on high,
For ages would its light,
Still travelling downward from the sky,
Shine on our mortal sight.
So when a great man dies,
For years beyond our ken,
The light he leaves behind him lies
Upon the paths of men.

Mr. GILLMOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MANTON. Mr. Speaker, having no further requests for time, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from New York [Mr. MANTON] that the House suspend the rules and pass the joint resolution (H.J. Res. 183).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

Mr. MANTON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate joint resolution (S.J. Res. 77) recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, MD, as the official national memorial to volunteer and career firefighters who die in the line of duty, a Senate joint resolution identical to the House joint resolution just passed, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 77

Recognizing the National Fallen Firefighters' Memorial at the National Fire Academy in Emmitsburg, Maryland, as the official national memorial to volunteer and career firefighters who die in line of duty.

Whereas the National Fallen Firefighters' Memorial, located on the campus of the National Fire Academy in Emmitsburg, Maryland, honors the approximately one hundred and sixty volunteer and career firefighters who die each year in the line of duty; and

Whereas such Memorial serves as a symbol of the courage and dedication of past, present, and future firefighters in their effort to protect life and property: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the memorial known as the National Fallen Firefighters' Memorial, located on the campus of the National Fire Academy in Emmitsburg, Maryland, is recognized as the official national memorial to volunteer and career firefighters who die in the line of duty.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 183) was laid on the table.

GENERAL LEAVE

Mr. MANTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions, House Joint Resolution 183 and Senate Joint Resolution 77, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FEDERAL EMPLOYEES COST-SAVINGS AWARDS

Mr. SIKORSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4983) to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments or cost savings disclosures, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4983

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

SECTION 1. AWARDS FOR COST SAVINGS DISCLOSURES.

(a) AGENCY AWARDS PROGRAM.—Section 4512 of title 5, United States Code, is amended to read as follows:

"§ 4512. Agency awards for cost savings disclosures

"(a) The Inspector General of each agency shall establish a program under which a cash award may be paid to any employee or former employee of such agency whose disclosure of fraud, waste, or mismanagement to the Inspector General of such agency (whether made to the Inspector General directly or indirectly) has resulted or may reasonably be expected to result in—

"(1) cost savings for the agency; or

"(2) other benefits to the Government or the public appropriate for recognition under this section.

"(b)(1) Subject to paragraph (2), an award under this section may not exceed an amount equal to—

"(A) 10 percent of the agency's cost savings which the Inspector General determines to be the total savings attributable to the employee's or former employee's disclosure; or

"(B) if no cost savings are involved, such amount as the Inspector General considers appropriate.

"(2) No award under this section may exceed $20,000.

"(3) In determining an agency's cost savings for purposes of paragraph (1)(A), the Inspector General may take into account agency cost savings projected for subsequent fiscal years which will be attributable to the disclosure.

"(c) In the case of an agency for which there is no Inspector General, any reference in this section to the Inspector General of an agency shall be considered to be a reference to the agency employee designated by the head of such agency for purposes of this section.

"(d) An agency may pay or grant an award under this section notwithstanding the death or separation from the service of the employee concerned, or the death of the former employee concerned.

"(e) There are authorized to be appropriated to the account which funds the operations of the Inspector General of each agency (or, in the case of an agency which has no Inspector General, which funds the operations managed under this section by the employee designated under subsection (c)) such sums as may be necessary to carry out this section.".

(b) PRESIDENTIAL AWARDS PROGRAM.—The first sentence of section 4513 of title 5, United States Code, is amended to read as follows: "The President may pay a cash award in the amount of $40,000 to any employee whose disclosure of fraud, waste, or mismanagement has resulted or may reasonably be expected to result in substantial cost savings for the Government.".

(c) AUTHORITY TO MAKE AWARDS TO CERTAIN NON-FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Title 5, United States Code, is amended by inserting after section 4512 the following:

"§ 4512a. Awards for certain non-employees

"(a) The Inspector General of each agency shall establish a program under which a cash award may be paid to any individual or entity whose disclosure of fraud, waste, or mismanagement to the Inspector General of such agency (whether made to the Inspector General directly or indirectly) has resulted or may reasonably be expected to result in—

"(1) cost savings for the agency; or

"(2) other benefits to the Government or the public appropriate for recognition under this section.

"(b) An award under this section may only be made where the information disclosed by the individual or entity was gained by such individual or entity in the course of performing any services for, or furnishing any services to, such agency under contract.

"(c) An award under this section for any disclosure may not exceed the amount which would be allowable under section 4512 if such disclosure had been made by an employee of the agency involved.

"(d) In the case of an agency for which there is no Inspector General, any reference in this section to the Inspector General of an agency shall be considered to be a reference to the agency employee designated by the head of such agency for purposes of this section.

"(e) Each program under this section shall include, with respect to individuals covered by this section, provisions comparable to the provisions of subsection (d) of section 4512, as such subsection relates to employees covered by that section.

"(f) There are authorized to be appropriated to the account which funds the operations of the Inspector General of each agency (or, in the case of an agency which has no Inspector General, which funds the operations managed under this section by the employee designated under subsection (c)) such sums as may be necessary to carry out this section.".

(2) CHAPTER ANALYSIS.—The analysis for chapter 45 of title 5, United States Code, is amended by inserting after the item relating to section 4512 the following:

"4512a. Awards for certain non-employees.".

(d) ELIMINATION OF EXPIRATION PROVISION.—Section 4514 of title 5, United States Code, and the item relating to such section in the analysis for chapter 45 of such title are repealed.

SEC. 2. AWARDS FOR SUPERIOR ACCOMPLISHMENTS.

(a) PROGRAM MODIFICATIONS.—Title 5, United States Code, is amended by striking sections 4502 through 4504 and inserting the following:

"§ 4502. General provisions

"(a) A cash award under this subchapter is in addition to the regular pay of the recipient. Acceptance of a cash award under this subchapter constitutes an agreement that the use by the Government of an idea, method, or device for which the award is made does not form the basis of a further claim of any nature against the Government by the employee or such employee's heirs or assigns.

"(b) A cash award to, and expenses for the honorary recognition of, an employee may be paid from the fund or appropriation available to the activity primarily benefiting or the various activities benefiting. The head of the agency concerned determines the amount to be paid by each activity for an agency award under section 4503. The President determines the amount to be paid by each activity for a Presidential award under section 4504.

"§ 4503. Agency awards

"(a) The head of an agency may pay a cash award to, and incur necessary expenses for the honorary recognition of, an employee who—

"(1) by such employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

"(2) performs a special act or service in the public interest in connection with or related to such employee's official employment.

"(b)(1) Except as provided in paragraph (2), a cash award under this section may not exceed—

"(A) an amount equal to 10 percent of the agency's cost savings attributable to the employee's accomplishments, or the annual rate of basic pay payable for grade GS-18 of the General Schedule, whichever is less; or

"(B) if no cost savings are involved, the annual rate of basic pay payable for grade GS-18 of the General Schedule.

"(2) When the head of an agency certifies to the Office of Personnel Management that the highly exceptional or unusually outstanding nature of the accomplishments of an employee so warrants, a cash award in excess of the maximum amount allowable under paragraph (1), but not in excess of an amount equal to two times such maximum amount, may be granted with the approval of the Office.

"§ 4504. Presidential awards

"(a) The President may pay a cash award to, and incur necessary expenses for the honorary recognition of, an employee who—

"(1) by such employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

"(2) performs a special act or service in the public interest in connection with or related to such employee's official employment.

A Presidential award may be in addition to an agency award under section 4503.

"(b) The President determines the amount of a cash award under this section.".

(b) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—

(A) AMENDMENT.—Subchapter I of chapter 45 of title 5, United States Code, is amended—

(i) by redesignating section 4507 as section 4508; and

(ii) by inserting after section 4506 the following:

"§ 4507. Reports

"(a)(1) Each agency shall prepare and transmit to the Office of Personnel Management on an annual basis a report on such agency's awards program under section 4503.

"(2) An agency report under this subsection shall include, for the period covered by that report—

"(A) the number of cash awards made by the agency under the agency's awards program (as referred to in paragraph (1)), and the amount of each such award;

"(B) if no cash award was made, a statement of the reasons why no such award was made, particularly any difficulties which the agency may have encountered with respect to administering its awards program;

"(C) a statement of any measures taken, or proposed to be taken, by the agency in order to overcome any difficulties identified under subparagraph (B); and

"(D) any other information which the Office may require in preparing a report under subsection (b).

"(b)(1) The Office shall, on an annual basis, transmit to the Committee on Post Office and Civil Service of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the head of each agency, a report under this subsection. The report shall include—

"(A) the name of any agency which either did not make any cash award under section 4503 during the period covered by the Office's report (including any explanation given by the agency) or did not submit a report under subsection (a) with respect to the period involved;

"(B) a description and evaluation of each agency's cash awards program under section 4503; and

"(C) recommendations for any legislation or administrative action which may be necessary in order that section 4503 may more effectively be carried out.

"(2) Any information which, pursuant to paragraph (1)(A), is included in a report under this subsection shall be published in the Federal Register.".

(B) CHAPTER ANALYSIS.—The analysis for chapter 45 of title 5, United States Code, is amended by striking the item relating to section 4507 and inserting in lieu thereof the following:

"4507. Reports.
"4508. Awarding of ranks in the Senior Executive Service.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—Sections 3151(c), 5383(b)(1), and 5384(a)(2) of title 5, United States Code, section 1601(c) of title 10, United States Code, section 405(b) of the Foreign Service Act of 1980 (22 U.S.C. 3965(b)), section 733(a)(5) of title 31, United States Code, and sections 4101(e) and 4107(c) of title 38, United States Code, are each amended by striking "4507" and inserting in lieu thereof "4508".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall be effective as of October 1, 1990.

The SPEAKER pro tempore. Is a second demanded?

Mrs. MORELLA. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. SIKORSKI] will be recognized for 20 minutes, and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SIKORSKI].

GENERAL LEAVE

Mr. SIKORSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter on H.R. 4983, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SIKORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in a quest for increased productivity and efficiency, the Federal Government has established incentive awards programs for Federal employees. Cost incentive programs reward Federal employees for a variety of reasons ranging from suggesting cost-effective and efficient improvements in Government operations to reporting waste, fraud and mismanagement within the Federal Government. They are based on the principle that employees are best able to recognize and to propose solutions for problems in their job, and that no one has a monopoly on good ideas.

In these times of monstrous budget deficits, defense procurement overruns, the savings and loan crisis, and HUD scandals, these awards programs should be part of our swat team. They should encourage Government employees to report waste and abuse wherever they find it. The aim of these programs is to create an incentive to ferret out waste and wrongdoing, and go beyond every day duty.

Federal employee suggestion and incentive programs have existed within the Federal Government since 1912. However, in the past few years, concern has been expressed that Federal agencies are not taking advantage of them and that chances are needed to encourage better use of them by employing agencies and better participation in them by employees.

H.R. 4983, introduced by Representative KASICH and myself, strengthens and extends the two existing incentive awards programs created in chapter 45 of title 5, United States Code, the Cost Savings Disclosure Awards programs and the Superior Accomplishments Award Program.

H.R. 4983 is not a new bill. In the 100th Congress, Representative KASICH and Representative SCHROEDER introduced a similar bill that was passed by the House under suspension of the rules.

The Cost Savings Disclosure Awards Program authorizes inspectors general and the President to pay cash awards to employees who disclose fraud, waste, or mismanagement in the Government. H.R. 4983 makes permanent this awards program.

The bill will increase the maximum amount of inspector general awards to 10 percent of the savings attributable to the disclosure, not to exceed $20,000. The bill expands the program to allow inspectors general to make awards to Government contract employees and to former Federal employees. The bill will allow awards for disclosures which are made either directly or indirectly to the inspector general. H.R. 4983 allows the inspector general to make awards for disclosures to which a cost savings cannot be attributed but which are significant important to the Government or the public. Additionally, the maximum presidental award for cost savings disclosures will be increased to $40,000.

The Superior Accomplishment Awards Program authorizes agencies to recognize and reward employees for their suggestions or achievements that contribute to the efficiency, economy, or improvement of Government operations.

H.R. 4983 strengthens the awards program by increasing the maximum amount of the award to 10 percent of the agency's cost savings attributable to the employee's accomplishments or to an amount not to exceed the basic pay of a GS-18. The agency may make an award twice this amount with the approval of the Office of Personnel Management [OPM]. The President may give a Superior Accomplishment Award in addition to the agency award. Each agency is required to report to OPM annually on the awards given or the reasons for failing to make the awards.

In fiscal 1987 alone, under the existing program, close to $8 million in awards were paid to almost 37,000 employees and the Government achieved almost $400 million in first year measurable benefits by virtue of these suggestions.

While we all hope Federal employees will blow the whistle, we know that blowing the whistle can be risky. This legislation is intended to provide an incentive for Federal employees to disclose waste and abuse within their Government agencies and positively offer suggestions to increase the efficiency and save money for the operation of the Federal Government. I would like to commend Representative KASICH for his leadership and concern in this area, and I urge my colleagues to support this bill.

□ 1620

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my privilege to speak in favor of H.R. 4983 which was approved by the House Committee on Post Office and Civil Service.

Mr. Speaker, I want to commend the sponsor, the gentleman from Ohio [Mr. KASICH], and the gentleman from Minnesota [Mr. SIKORSKI].

This bill makes the Cost Savings Disclosure Awards programs permanent and strengthens the Superior Accomplishment Awards Program. The Cost Incentive Award Program is due to sunset on September 30, 1990. These incentive awards programs for the public sector were created in 1981 and 1954 respectively.

The Superior Accomplishment Awards Program recognizes and rewards employees who have contributed to the efficiency and effectiveness of their agency. The Cost Savings Disclosure rewards Federal employees, Government contract employees and former Federal employees who disclose Government fraud, waste or mismanagement. This program was extended in 1984 and then in 1988.

The bill raises the maximum amount which may be awarded. In the superior accomplishments award, this amount is raised to the lesser of 10 percent of the agency's cost savings which can be attributed to the employee's participation but not more than the basic pay of a GS-18 employee—whichever is less. The Office of Personnel Management may approve an award up to twice that amount, if the case is justified by an employing agency.

The other award, the Cost Savings Disclosure Awards Program, increase the maximum to 10 percent of the sav-

ings attributable to the disclosures, but not more than $20,000. Presently, the maximum is 1 percent, or $10,000, whichever is less, and this bill requires each agency to report to the Office of Personnel Management if these awards are not made.

As you know, Mr. Speaker, we are trying to recruit and retain the best Federal employees. It is cost effective to reward Federal employees when they are instrumental in holding costs and improving efficiency. It is imperative that these awards are meaningful in terms of monetary subsidy. I find it very interesting in defense of the bill that the Department of Defense, the inspector general, who has most utilized the cost savings award, has strongly endorsed the expansion as seen within this bill.

Mr. Speaker, I want to commend the sponsors of this important bill; also, the chairman of the Committee on Post Office and Civil Service and the ranking member of that committee for expediting this important legislation.

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from New York [Mr. GILMAN], the ranking member of the full Committee on Post Office and Civil Service.

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 4983, the Federal Employees Cost Savings Awards measure. I would like to congratulate the sponsors of this bill, the gentleman from Ohio [Mr. KASICH] and the chairman of the Subcommittee on Civil Service the gentleman from Minnesota [Mr. SIKORSKI] and the gentlewoman from Maryland [Mrs. MORELLA] for their diligent work and for their efforts on this legislation.

H.R. 4983 strengthens and extends the two existing incentive awards programs for Federal employees. The Superior Accomplishment Awards Program authorizes agencies to recognize and reward employees for their suggestions or achievements that contribute to the efficiency, economy, or improvement of Government operations. Although in existence since 1954, most agency managers have rarely utilized this program. The Superior Accomplishment Awards Program is permanent law and the legislation before us reforms and strengthens the program.

This bill also authorizes the Awards for Cost Savings Disclosures Program which allows inspectors general and the President to pay cash awards to employees who disclose Government waste, fraud, or mismanagment. This program was established in 1981 and has been extended on a periodic basis since that time. H.R. 4983 makes this worthwhile program permanent.

Mr. Speaker, this legislation, H.R. 4983, is a part of our continuing efforts to increase efficiency in Government and deserves my colleagues wholehearted support.

Mrs. MORELLA. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. KASICH], the sponsor of the bill.

Mr. KASICH. Mr. Speaker, I want to rise, first of all, and thank the gentleman from Minnesota [Mr. SIKORSKI] for moving this legislation. As my colleagues know, GERRY has a very big job. He has got a lot of very important pieces of legislation that flow through his subscommittee and which are under his jurisdiction. Mr. Speaker, we kind of pestered the staff a little bit to move this bill along, and it is sometimes tough to prioritize up there because there are so many good ideas.

However, Mr. Speaker, I want to tell my colleagues that I came in 1983 with the gentleman from Minnesota [Mr. SIKORSKI] to Congress, and I not only like working with him on this piece of legislation, but he and I have been able to work closely together on legislation on Defense Department reform, and I just have great respect for him. I want to thank him for giving me an opportunity to bring this bill to the floor one more time.

Mr. Speaker, this bill did pass the House of Representatives in the last session, was held up in the Senate by one of my good friends over there because he had some staff that was a little bit nervous. I hope that that confusion or concern will be eliminated this time and that we can actually pass this bill.

The gentlewoman from Maryland [Mrs. MORELLA] who represents a number of Federal empolyees understands, as well as I do, that, rather than giving the public employees a pat on the back and a plaque at a dinner, if we can give then a little bit of cash for coming up with innovative solutions for problems, that is really what is going to bring out the greatest amount of imagination and ingenuity on the part of Federal workers. In addition, Mr. Speaker, I know the gentleman from New York [Mr. GILMAN] shares this view as well.

I do not want to get into the details of the program, but what we are really trying to say is that the Federal Government ought to really in this day and time, day and age, improve their programs for awarding employees who really want to be innovative and imaginative by actually putting cash in their pocket when it can be shown that they have turned off waste or fraud or when they have come up with a major cost-sharing idea.

People say, "How did you come up with this idea?"

Mr. Speaker, I had a constituent by the name of Jim Clark who worked at the VA in Columbus, and Jim was able to cut down the wait for veterans on prescriptions from about 2½ hours down to 10 minutes by an innovative process, and at the same time he saved tremendous amounts of money, millions of dollars, for the Federal Government because of the system. Jim came down here to testify, and somebody asked him, "If you had to do this all over again, would you do it?"

Mr. Speaker, he said, "Absolutely not. The amount of harassment I received, or hassle that I received, from fellow workers and supervisors who kept questioning, 'Are you out of your mind, spending all this time?'" and he just said, "It wasn't worth it."

□ 1630

Jim, by the way, did get an incentive award, was even unaware of the program because no one ever promoted it, and when he did get his award, by the way, it was not tax free. He did not get the full award.

What we are trying to do in this legislation is to encourage other Jim Clarke's, and there are a number of other Federal employees who have taken some risk in their activities to try to improve the workings of the Federal Government.

This program is modeled after the very successful programs that Xerox and the IBM Corp. have employed over the years, and as you know, Xerox and IBM are on the cutting edge of innovative technology and they believe that their work force ought to be made part of the family.

I think that is the way we ought to view Federal workers, not just as people who come in and punch a clock, but rather who are part of the Federal family, people who we have to reward, people we have to give incentives to, and that is what this bill is all about. It will not only do that in the Government sector, but for those people who are contract employees, it will expand the I.G. to affect them as well, something that has met with a degree of success in the Department of Defense.

So again I want to thank the gentlewoman from Maryland for her support, and the gentleman from New York [Mr. GILMAN], the ranking member on the committee and, of course, my friend, the gentleman from Minnesota [Mr. SIKORSKI] for moving this bill expeditiously. Hopefully we will not have to do it another session. Hopefully in this session it will actually become law.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mrs. MORELLA. Mr. Speaker, I yield another 30 seconds to the gentleman from Ohio, who has persevered for 2 years in a row on this bill.

Mr. KASICH. Mr. Speaker, I appreciate the gentlewoman yielding me this additional time.

I want to pay special tribute to Kathy Krupp of my staff who has worked on this thing for a number of

years and has to put up with my asking her every day when she comes in the door, "When is the bill coming in committee? When is the bill going on the floor?"

So Kathy Krupp has done an outstanding job on this. All too often the staff people who do so much of the work for us do not get recognized. It is with a special personal privilege I thank the gentlewoman, and again to Kathy Krupp, thanks for all her work.

Mrs. MORELLA. Mr. Speaker, we all do appreciate the work that the staff has done, just as we appreciate what Federal employees do and what they will do and those who are cognizant of this program will do to help it, even to reduce the budget deficit; so again, I thank the gentleman from Ohio [Mr. KASICH] for his perseverance and his innovation.

I want to echo what the gentleman from Ohio [Mr. KASICH] has said about the gentleman from Minnesota [Mr. SIKORSKI]. I have the privilege here of working with the gentleman as the ranking member on the Civil Service Subcommittee and it is a pleasure because of his dedication and his fairness.

I also thank the gentleman from New York [Mr. GILMAN] for his work, and the chairman of the Committee on Post Office and Civil Service.

Mr. SIKORSKI. Mr. Speaker, I yield myself such time as I may consume.

I just want to thank the gentlewoman from Maryland [Mrs. MORELLA]. The pleasure is on our side, working with such a fine supporter of civil servants and taxpayers in this country.

I also want to commend not only the staff of the gentleman from Ohio [Mr. KASICH], but Ross Peterson on the subcommittee, Alan Lopatin and Bob Lockhart of the full committee for their efforts, and thank the gentleman from New York [Mr. GILMAN], and point out that only with his help and leadership as the ranking Republican on the full committee can we move this legislation along.

Finally, once again I want to call attention to the selfless hard work that the gentleman from Ohio [Mr. KASICH] has committed to cleaning up the defense procurement process, saving taxpayers money, and rewarding Federal employees who blow the whistle as well as offer positive suggestions to save taxpayers money.

Mrs. MORELLA. Mr. Speaker, I yield back the balance of my time.

Mr. SIKORSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. SIKORSKI] that the House suspend the rules and pass the bill, H.R. 4983, as amended.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5355, INCREASING STATUTORY LIMIT ON THE PUBLIC DEBT

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 101-647) on the resolution (H. Res. 443) providing for the consideration of the bill (H.R. 5355) to increase the statutory limit on the public debt, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5313, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1991

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 441 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 441

Resolved, That during consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: Beginning on page 2, line 1 through page 11, line 4; and beginning on page 17, line 5 through page 19, line 20.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. QUILLEN] for the purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 441 is the rule waiving points of order against certain provisions of the bill, H.R. 5313, the military construction appropriations for fiscal year 1991.

Since general appropriations bills are privileged under the rules of the House, the rule does not provide for any special guidelines for the consideration of the bill. Provisions related to time for general debate are not included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous consent request by the chairman of the Appropriations Subcommittee prior to the consideration of the bill.

The rule waives clause 2 of rule XXI against specified provisions of H.R. 5313. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriations bills. The provisions receiving this waiver are designated in the rule by reference to page and line in the bill.

Mr. Speaker, H.R. 5313 appropriates approximately $8.8 billion for fiscal year 1991 military construction and family housing for the various branches of the Department of Defense. It is consistent with the House passed budget resolution.

The bill appropriates nearly $14 million in funding for three projects at Wright-Patterson Air Force Base, which is partially located in my congressional district. I am pleased that the committee approved the necessary projects. The first project at Wright-Patterson is funding for a building to house the School of Civil Engineering and Services of the Air Force Institute of Technology [AFIT]. This will improve the Air Force's advanced technical and management education needed to maintain Defense installations.

The second project included in the bill is a building for the Foreign Technology Division which evaluates foreign technology and weapons that threaten our national defense. Third, the bill includes funds for the Air Force Reserve to upgrade two World War II hangars. This upgrade includes installing new utility systems and bringing fire protection up to current standards. These projects are important to Wright-Patterson Air Force Base, the people of the Dayton area, and to our country's national security. I commend my colleagues for including them in H.R. 5313.

Mr. Speaker, under the normal rules of the House, any amendment which does not violate any House rules could be offered to H.R. 5313. The rule received unanimous support in the House Rules Committee, and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend the chairman and the ranking Republican member of the Appropriations Subcommittee on Military Construction, the gentleman from North Carolina [Mr. HEFNER] and the gentleman from California [Mr. LOWERY] for their hard work in putting this legislation together.

In funding military construction it is necessary to take into consideration the changing nature of the military threat to this Nation. We must not be lulled into a false sense of security because the Soviet Union is withdrawing its forces from Eastern Europe, however. There are still a large number of weapons in the Soviet Union, and while they appear to be in friendlier

hands now, the situation could always change, and we have a duty to make certain this Nation is able to defend itself, if there should be an unexpected turn of events. While it may be feasible to make some reductions in military spending, we should proceed cautiously, and maintain the military strength necessary to defend ourselves.

The bill before us today is the tenth of the thirteen general appropriations bills considered by Congress each year. Only three will remain after action on this bill is completed. Of those, the legislative branch appropriations is scheduled to be heard in Rules Committee on Wednesday, and then considered on the floor later this week. That would leave only two general appropriation bills, Interior and Defense. We are making progress, though it is important that we all keep in mind that further changes in these bills will be necessary if and when a budget summit agreement is reached.

The gentleman from Ohio, Mr. HALL, has fully explained the provisions of this rule, and I will not repeat that explanation. I support the rule so that the House can get down to business and complete its action promptly on the military construction appropriations bill for fiscal year 1991.

□ 1640

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 289, nays 93, not voting 50, as follows:

[Roll No. 279]

YEAS—289

Ackerman	Bereuter	Bryant
Alexander	Berman	Buechner
Anderson	Bevill	Bustamante
Andrews	Boehlert	Campbell (CO)
Annunzio	Boggs	Cardin
Anthony	Bonior	Carper
Aspin	Borski	Chandler
AuCoin	Bosco	Chapman
Barnard	Boucher	Clarke
Bartlett	Boxer	Clement
Barton	Brennan	Clinger
Bates	Brooks	Coleman (TX)
Beilenson	Browder	Collins
Bennett	Brown (CA)	Condit
Conte	Kennelly	Ridge
Conyers	Kildee	Rinaldo
Cooper	Kostmayer	Ritter
Costello	LaFalce	Robinson
Coyne	Lancaster	Roe
Darden	Leath (TX)	Rose
Davis	Lehman (CA)	Rostenkowski
de la Garza	Lehman (FL)	Roukema
Derrick	Lent	Rowland (CT)
DeWine	Levin (MI)	Rowland (GA)
Dicks	Levine (CA)	Roybal
Dingell	Lewis (GA)	Russo
Dixon	Lipinski	Sabo
Donnelly	Lloyd	Sarpalius
Dorgan (ND)	Long	Savage
Downey	Lowery (CA)	Sawyer
Duncan	Lowey (NY)	Scheuer
Durbin	Luken, Thomas	Schneider
Dwyer	Machtley	Schroeder
Dymally	Madigan	Schulze
Dyson	Manton	Schumer
Early	Markey	Sharp
Eckart	Martinez	Shaw
Edwards (CA)	Matsui	Shays
Edwards (OK)	Mavroules	Shumway
Engel	Mazzoli	Sikorski
Erdreich	McCloskey	Sisisky
Espy	McCollum	Skaggs
Evans	McCurdy	Skeen
Fazio	McDade	Skelton
Fish	McDermott	Slattery
Flake	McGrath	Slaughter (NY)
Flippo	McHugh	Slaughter (VA)
Foglietta	McMillan (NC)	Smith (FL)
Frank	McMillen (MD)	Smith (IA)
Frost	McNulty	Smith (NJ)
Gaydos	Mfume	Smith (TX)
Gejdenson	Michel	Snowe
Gephardt	Miller (CA)	Solarz
Geren	Miller (OH)	Spratt
Gibbons	Mineta	Staggers
Gillmor	Moakley	Stallings
Gilman	Molinari	Stark
Glickman	Mollohan	Studds
Gonzalez	Montgomery	Swift
Goodling	Moody	Synar
Gordon	Morella	Tallon
Gradison	Mrazek	Tauke
Grant	Murphy	Tauzin
Gray	Murtha	Taylor
Green	Nagle	Thomas (CA)
Guarini	Natcher	Thomas (GA)
Hall (OH)	Neal (NC)	Torres
Hall (TX)	Nowak	Torricelli
Hamilton	Oakar	Towns
Hammerschmidt	Oberstar	Traficant
Hansen	Obey	Traxler
Harris	Olin	Udall
Hatcher	Ortiz	Unsoeld
Hayes (IL)	Owens (NY)	Valentine
Hayes (LA)	Owens (UT)	Vander Jagt
Hefner	Pallone	Vento
Hertel	Panetta	Visclosky
Hiler	Parker	Walgren
Hoagland	Parris	Walsh
Hochbrueckner	Pashayan	Watkins
Horton	Patterson	Waxman
Houghton	Payne (NJ)	Weiss
Hoyer	Payne (VA)	Weldon
Hubbard	Pease	Wheat
Huckaby	Pelosi	Whitten
Hughes	Penny	Williams
Inhofe	Perkins	Wilson
Jenkins	Pickett	Wise
Johnson (SD)	Pickle	Wolf
Johnston	Poshard	Wolpe
Jones (GA)	Price	Wyden
Jones (NC)	Quillen	Yates
Jontz	Rahall	Yatron
Kanjorski	Ravenel	Young (AK)
Kasich	Ray	Young (FL)
Kastenmeier	Regula	
Kennedy	Richardson	

NAYS—93

Archer	Coleman (MO)	Douglas
Armey	Combest	Dreier
Baker	Coughlin	Emerson
Ballenger	Courter	Fawell
Bentley	Cox	Fields
Broomfield	Craig	Frenzel
Brown (CO)	Crane	Gallegly
Bunning	Dannemeyer	Gallo
Burton	Dickinson	Gekas
Callahan	Dornan (CA)	Goss
Grandy	Lukens, Donald	Schaefer
Gunderson	Marlenee	Schiff
Hancock	Martin (IL)	Sensenbrenner
Hastert	Martin (NY)	Shuster
Henry	McCandless	Smith (NE)
Herger	Meyers	Smith (VT)
Holloway	Miller (WA)	Smith, Denny (OR)
Hopkins	Moorhead	Smith, Robert (NH)
Hunter	Morrison (WA)	Smith, Robert (OR)
Hyde	Myers	Spence
Ireland	Nielson	Stearns
Jacobs	Oxley	Stump
James	Paxon	Sundquist
Johnson (CT)	Petri	Thomas (WY)
Kolbe	Porter	Upton
Kyl	Rhodes	Walker
Lagomarsino	Roberts	Weber
Leach (IA)	Rogers	Whittaker
Lewis (CA)	Rohrabacher	Wylie
Lewis (FL)	Ros-Lehtinen	
Lightfoot	Roth	
Livingston	Saxton	

NOT VOTING—50

Applegate	Fascell	Nelson
Atkins	Feighan	Packard
Bateman	Ford (MI)	Pursell
Bilbray	Ford (TN)	Rangel
Bilirakis	Gingrich	Saiki
Bliley	Hawkins	Sangmeister
Bruce	Hefley	Schuette
Byron	Hutto	Serrano
Campbell (CA)	Kaptur	Solomon
Carr	Kleczka	Stangeland
Clay	Kolter	Stenholm
Coble	Lantos	Stokes
Crockett	Laughlin	Tanner
DeFazio	McCrery	Volkmer
DeLay	McEwen	Vucanovich
Dellums	Morrison (CT)	Washington
English	Neal (MA)	

□ 1703

So the previous question was ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BRUCE. Mr. Speaker, due to air travel delays, I was unavoidably absent for rollcall 279, ordering the previous question on House Resolution 441. Had I been present, I would have voted "aye" on rollcall 279.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

They yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 299, nays 93, not voting 40, as follows:

[Roll No. 280]

AYES—299

Ackerman	Boucher	Collins
Alexander	Boxer	Combest
Anderson	Brennan	Condit
Andrews	Brooks	Conte
Annunzio	Broomfield	Conyers
Anthony	Browder	Cooper
Aspin	Brown (CA)	Costello
AuCoin	Bryant	Coughlin
Barnard	Buechner	Courter
Bates	Bustamante	Coyne
Beilenson	Campbell (CO)	Darden
Bennett	Cardin	Davis
Berman	Carper	de la Garza
Bevill	Chapman	Derrick
Boehlert	Clarke	DeWine
Boggs	Clement	Dickinson
Bonior	Clinger	Dicks
Borski	Coleman (MO)	Dingell
Bosco	Coleman (TX)	Dixon

Donnelly	Lehman (CA)	Roe
Dorgan (ND)	Lehman (FL)	Rogers
Downey	Lent	Rose
Duncan	Levin (MI)	Rostenkowski
Durbin	Levine (CA)	Roukema
Dwyer	Lewis (GA)	Rowland (CT)
Dymally	Lipinski	Rowland (GA)
Dyson	Lloyd	Roybal
Early	Long	Russo
Eckart	Lowery (CA)	Sabo
Edwards (CA)	Lowey (NY)	Sarpalius
Edwards (OK)	Luken, Thomas	Savage
Emerson	Machtley	Sawyer
Engel	Madigan	Scheuer
Erdreich	Manton	Schiff
Espy	Markey	Schneider
Evans	Martinez	Schroeder
Fazio	Matsui	Schulze
Fish	Mavroules	Schumer
Flake	Mazzoli	Sharp
Flippo	McCloskey	Shaw
Foglietta	McCollum	Shays
Ford (MI)	McCurdy	Shuster
Frank	McDade	Sikorski
Frost	McDermott	Sisisky
Gaydos	McGrath	Skaggs
Gejdenson	McHugh	Skeen
Gephardt	McMillan (NC)	Skelton
Geren	McMillen (MD)	Slattery
Gibbons	McNulty	Slaughter (NY)
Gillmor	Mfume	Slaughter (VA)
Gilman	Michel	Smith (FL)
Glickman	Miller (CA)	Smith (IA)
Gonzalez	Miller (OH)	Smith (NJ)
Goodling	Mineta	Smith (TX)
Gordon	Moakley	Snowe
Gradison	Mollohan	Solarz
Grant	Montgomery	Spence
Gray	Moody	Spratt
Green	Morrison (WA)	Staggers
Guarini	Mrazek	Stallings
Gunderson	Murphy	Stark
Hall (OH)	Murtha	Stenholm
Hall (TX)	Myers	Studds
Hamilton	Nagle	Swift
Hammerschmidt	Natcher	Synar
Hansen	Neal (NC)	Tallon
Harris	Nowak	Tauzin
Hatcher	Oakar	Taylor
Hayes (IL)	Oberstar	Thomas (CA)
Hayes (LA)	Obey	Thomas (GA)
Hefner	Olin	Torres
Hertel	Ortiz	Torricelli
Hiler	Owens (NY)	Towns
Hoagland	Owens (UT)	Traficant
Hochbrueckner	Pallone	Traxler
Horton	Panetta	Udall
Hoyer	Parker	Unsoeld
Hubbard	Parris	Valentine
Huckaby	Pashayan	Vander Jagt
Hughes	Patterson	Vento
Ireland	Payne (NJ)	Visclosky
Jacobs	Payne (VA)	Walgren
Jenkins	Pease	Walsh
Johnson (SD)	Pelosi	Watkins
Johnston	Penny	Waxman
Jones (GA)	Perkins	Weiss
Jones (NC)	Pickett	Weldon
Jontz	Pickle	Wheat
Kanjorski	Poshard	Whitten
Kasich	Price	Williams
Kastenmeier	Quillen	Wilson
Kennedy	Rahall	Wise
Kennelly	Rangel	Wolf
Kildee	Ray	Wolpe
Kolbe	Regula	Wyden
Kolter	Richardson	Yates
Kostmayer	Ridge	Yatron
LaFalce	Rinaldo	Young (AK)
Lancaster	Ritter	Young (FL)
Leath (TX)	Robinson	

NOES—93

Archer	Callahan	Frenzel
Armey	Chandler	Gallegly
Baker	Coble	Gallo
Ballenger	Cox	Gekas
Bartlett	Craig	Gingrich
Barton	Crane	Goss
Bentley	Dannemeyer	Grandy
Bereuter	Dornan (CA)	Hancock
Bliley	Douglas	Hastert
Brown (CO)	Dreier	Hefley
Bunning	Fawell	Henry
Burton	Fields	Herger
Holloway	Meyers	Shumway
Hopkins	Miller (WA)	Smith (NE)
Houghton	Molinari	Smith (VT)
Hunter	Moorhead	Smith, Denny (OR)
Hyde	Morella	Smith, Robert (NH)
Inhofe	Nielson	Smith, Robert (OR)
James	Oxley	Stangeland
Johnson (CT)	Paxon	Stearns
Kyl	Petri	Stump
Lagomarsino	Porter	Sundquist
Leach (IA)	Pursell	Tauke
Lewis (CA)	Ravenel	Thomas (WY)
Lewis (FL)	Rhodes	Upton
Lightfoot	Roberts	Walker
Livingston	Rohrabacher	Weber
Lukens, Donald	Ros-Lehtinen	Whittaker
Marlenee	Roth	Wylie
Martin (IL)	Saxton	
Martin (NY)	Schaefer	
McCandless	Sensenbrenner	

NOT VOTING—40

Applegate	English	Nelson
Atkins	Fascell	Packard
Bateman	Feighan	Saiki
Bilbray	Ford (TN)	Sangmeister
Bilirakis	Hawkins	Schuette
Bruce	Hutto	Serrano
Byron	Kaptur	Solomon
Campbell (CA)	Kleczka	Stokes
Carr	Lantos	Tanner
Clay	Laughlin	Volkmer
Crockett	McCrery	Vucanovich
DeFazio	McEwen	Washington
DeLay	Morrison (CT)	
Dellums	Neal (MA)	

□ 1721

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. CAMPBELL of California. Mr. Speaker, I wish to offer my explanation for having missed the last two procedural votes. I was called to the White House for discussions dealing with the civil rights bill and was unavoidably detained when the votes were called. Had I been present, I would have voted no.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent today and missed two votes on House Resolution 441, the rule for the military construction appropriations bill. I would have voted "yea" on both rollcall 279, which occurred on ordering the previous question on the resolution, and rollcall 280, on the resolution's passage.

PERSONAL EXPLANATION

Mr. BRUCE. Mr. Speaker, due to air travel delays, I was unavoidably absent for rollcall 280, on agreeing to the resolution House Resolution 441. Had I been present, I would have voted "aye" on rollcall 280.

REPORT ON H.R. 5399, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1991

Mr. FAZIO, from the Committee on Appropriations, submitted a privileged report (Rept. No. 101-648) on the bill (H.R. 5399) making appropriations for the legislative branch for the fiscal year ending September 30, 1991, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. LEWIS of California reserved all points of order on the bill.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 1594, EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF THE PEOPLES' REPUBLIC OF HUNGARY

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, July 30, 1990, to file a conference report on the bill (H.R. 1594) to extend nondiscriminatory treatment to the products of the People's Republic of Hungary for 3 years.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

VACATING ORDERING OF THE YEAS AND NAYS ON CERTAIN MOTIONS TO SUSPEND THE RULES AND AUTHORIZING THE QUESTION TO BE PUT DE NOVO ON EACH MOTION

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to vacate the ordering of yeas and nays on all of the 11 motions to suspend the rules, and that the Chair be authorized to put the question de novo on each motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. WALKER. Reserving the right to object, I would take this time to allow the gentleman from Mississippi to explain his request.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield, basically what that means is that it would put all the suspensions off until tomorrow. We would start all over again. The Chair would put the question on each bill, and if a Member wanted to vote on that suspension, that Member could ask for a vote.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, it is my understanding, then, that these votes would possibly be ordered? Is that what the gentleman is saying?

If so, what time tomorrow would this happen? Some of us have made plans under the program announced last week for other things tomorrow morning. We made plans several days in advance, and now at 5:30 in the evening we decide we are not going to vote on these issues and they will be set over until tomorrow when some of us have made plans. Are program schedules not worth anything around here anymore?

Mr. WALKER. Mr. Speaker, further reserving the right to object, I would say to the gentleman that it is our expectation based on some negotiations that have taken place today, that none of these bills would be voted on tomorrow.

Mr. MYERS of Indiana. That none will be voted on tomorrow?

Mr. WALKER. We do not figure that there would be votes. The process the gentleman from Mississippi has described is the process that we have to go through to clear the bills finally off the calendar, but it would be our expectation that when these bills are brought up early tomorrow morning, we would not have votes on those. I would say to the gentleman that there has been another bill added to the calendar, a bill on savings and loans, which probably will be new suspension that will be voted on by the House. But that, we think, would be the only vote that would occur.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. There would be votes tomorrow before noon then? Is that what the gentleman is saying?

Mr. WALKER. I would say to the gentleman that it has always been contemplated, I think, as a matter of fact, that the first item of business to come up tomorrow would be the debt limit.

Mr. MYERS of Indiana. That is what the program says, but the program already does not mean anything. We have already decided that by this request.

Mr. WALKER. What I am saying to the gentleman is that I think the vote that was planned on that would probably occur before noon anyhow, and as result of the debt limit being up and this action and the 1-minutes, my guess is that we would not get to the other items much before noon.

Mr. MYERS of Indiana. Mr. Speaker, I will not object, but I think when we do make a program for the future, we should try to honor it. I will not object to this, but I wish we could keep our word around here for a change.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The Chair will state that the questions will be put on each suspension on tomorrow de novo to a voice vote.

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 5313, the Military Construction Appropriations Act, 1991.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1991

Mr. HEFNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided between the gentleman from California [Mr. LOWERY] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

□ 1729

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5313, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from North Carolina [Mr. HEFNER] will be recognized for 30 minutes, and the gentleman from California [Mr. LOWERY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

□ 1730

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to present to you H.R. 5313, the fiscal year 1991 military construction and family housing appropriations bill.

The bill we are recommending amounts to $8.3 billion, of which almost $1 billion is to capitalize the base closure account. The bill is within our section 302 allocations for both budget authority and outlays. It is $815 million below the budget request and almost $200 million below last year's appropriated amount. When the base closure amount is excluded from the comparison, the bill is almost $700 million below last year's level.

The bill before the House reduces overseas spending by about $750 million, $287 million of which are rescission of prior year funds requested by the President. The reductions overseas constitute a 60-percent reduction from the President's request. It was the committee's feeling that in view of the rapid changes in Europe and attendant reevaluation of force structure that the reductions were appropriate. However, the committee did fund the highest priority projects at bases that were expected to remain.

With regard to the MX rail garrison program, we are recommending deferring funding of $243 million for 3 new operational bases. The committee took this action because of the uncertainty as to whether a rail garrison system will be deployed.

With regard to the B-2 base at Whiteman Air Force Base, the committee has recommended a 40-percent reduction from the President's budget request. Final level of funding will depend on the outcome of the Armed Services conference regarding the B-2 program.

With regard to construction of a new base at Crotone, Italy, to support the relocation of the 401st Tactical Fighter Wing, we are recommending a prohibition against the use of all design and construction funds, including prior year funds, until December 31, 1990. We have taken this action to allow sufficient time for a decision to be made in the authorization bill as to whether a new base should be built in Italy. There was considerable debate in our subcommittee markup over this issue and it was a consensus that we should await the authorization recommendations. However, I understand that an amendment will be offered to kill the project. I will speak to that amendment when and if it is offered.

With regard to the base closure account we are recommending funding of $916.5 million as requested. This would be in addition to the $500 million provided in fiscal year 1990. The committee has also added to the requested amount $81.6 million for envi-

ronmental restoration at closed bases. The committee has taken this action to ensure that funding is available and environmental cleanup is given priority at closed bases as well as providing accountability for costs associated with base closure.

The committee has reported its dissatisfaction with the construction moratorium which is programmed to last until at least November 15, 1990, which is more than 1 year. There is no certainty that it will terminate in November. For that reason the committee has disapproved the deferral of such funds and directs the Department to release funds for obligation upon enactment of this act.

While the first moratorium announcement may have been a prudent action, given the rapid change in Europe and the attendant reevaluation of force structure, the decisions to extend the moratorium to June 15, 1990, and then to November 15, 1990, is disruptive and not necessary. The result of the moratorium is that $5 to $6 billion have been delayed for bases where there is a certainty that missions are likely to remain.

The committee has recommended rescinding about $287 million of prior year funding for projects overseas. These rescissions were requested by the President's special message of June 28, 1990.

The committee recommends funding $250 million for NATO infrastructure account instead of $420.4 million as requested. The recommendation is more than required to fund ongoing commitments.

Those are some of the more significant items in the bill. The bill we are recommending is a bipartisan effort; it provides for the highest priority military construction requirements, and it is within our section 302 allocations.

At this point, I would just like to express my appreciation to all the members of the Military Construction Subcommittee. I would like to particularly thank our ranking minority member, BILL LOWERY, for his diligence and cooperation in making this a bipartisan effort.

Mr. Chairman, I reserve the balance of my time.

Mr. LOWERY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the military construction appropriations bill for fiscal year 1991.

I would like to thank the chairman of the Military Construction Subcommittee, the gentleman from North Carolina, for his kind remarks and commend him for his diligence in bringing this bill to the House floor.

Mr. Chairman, H.R. 5313 provides $7.3 billion for military construction and family housing. This represents a $681 million decrease from last year's appropriation. This bill also includes $998 million for continued funding of the base closure and realignment account. When combined the total appropriation provided is $8.3 billion. This is still $183 million below last year's bill and $815 million below the President's request.

We have worked hard to bring this bill to the House floor. It has not been an easy task. In this year of Defense Department building moratoria and the proposed cuts in defense spending, this bill represents a good balance between the needs of our servicemen and servicewomen and the changing defense posture. We can, and have, cut military construction, but it cannot be meat axed. As we consolidate, close bases, and reduce manpower, the remaining bases and equipment must be maintained in top working order and personnel must be highly trained and adequately housed.

The chairman of the subcommittee has outlined the major provisions of this bill. I would like to take this opportunity to comment on a few of them.

First, the Secretary of Defense issued a moratorium on all military construction and family housing projects on January 24, 1990. This moratorium has been extended twice and is currently in effect until November 15. This has held up the majority of last year's appropriations by over 1 year. While I understand the prudence of this action, I believe construction should go forward at those bases the Department knows will not be closing. The committee has included language disapproving the deferral of these funds and directs the Department to release funds for obligation upon enactment of this bill. This action requires the Department to comply with the Impoundment Control Act. The Secretary of Defense still has the option to formally submit a rescission list to Congress.

The committee has reduced the request for overseas construction by $287.3 million. The projects funded in this bill are for those installations we anticipate will remain intact. In addition, the NATO infrastructure account has been reduced by 40 percent. This action was taken in light of the changes in Europe and the anticipated reduction in construction. The committee has also recommended rescinding prior-year funds in the amount of $286.5 million at overseas locations. This action is in line with the President's request of June 28, 1990.

As we watch the changes in Europe, anticipate troop reductions, and face major reductions in defense spending, it becomes more important that we get the most efficient use of our facilities here at home. This bill helps ensure that. We have deferred funding for the MX rail garrison; reduced by 40 percent the request for construction related to the bed down of the B-2 bomber; added several worthy projects for the Guard and Reserves; provided needed facilities to support air, sea, and land operations and those necessary to maintain a vast array of weapons and equipment; provided for barracks, hospitals, clinics, child care centers, and community facilities. Funds are included for construction of new homes and whole house improvements. We also have approved projects that will provide for improvements to the health, safety, and environmental aspects of our installations.

While there are many projects in this bill that are important to our national defense, none are more important than those that support the men and women of our Armed Forces—they are our constituency. We provide for their working environment; their housing; and their support facilities.

Mr. Chairman, I think it is important to note that this is the second year we are providing funds for the Base Realignment and Closure Commission's recommendations. The administration requested $916.5 million for the second year of implementation. The committee has increased this amount by $81.6 million in support of Mr. FAZIO's initiative to ensure adequate funds are provided for environmental cleanup of those bases to be closed. Although the law requiries environmental restoration before a base can be used for new purposes, there is no funding source dedicated solely for that purpose. I strongly support this initiative, for it will ensure adequate funds are available and will help provide a clearer accounting of the costs associated with the Commission's recommendations.

It is important to note that, while the driving force behind passage of the Base Closure Act was cost savings, we are continuing to find it is going to cost much more than anticipated to realize any savings. Including the appropriation in this bill, we have provided over $1.5 billion the past 2 years to implement the Commission's recommendations. Based on figures presented to the committee this spring, our latest estimate of costs, minus revenues from land sales, shows a necessary appropriation of $2.8 billion from fiscal year 1989 to fiscal year 1993 to implement the plan. I continue to believe we will see this estimate grow.

Finally, I urge my colleagues to begin to look at the very real and pressing needs for facilities that support our servicemen and servicewomen. Mr. Chairman, I think it is safe to say that as we see the authorization process move forward, changes will be necessary to this bill. However, in lieu of that process, we have acted prudently. We have worked hard to bring this bill to the House floor. It is a balanced bill and deserves the support of this House.

□ 1740

Mr. HEFNER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ALEXANDER], a member of the committee.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of this military construction appropriations bill.

The environment in which the Subcommittee on Military Construction and the Committee on Appropriations produced this bill this year was even more complex than in the past. Despite that, I believe the bill we bring for your consideration today is a very good bill, with one exception which I propose to amend.

It is $814.8 million below the President's request. And, it is $9.1 million below the amount provided for the fiscal year 1990.

The leadership of our subcommittee chairman, Mr. HEFNER, and ranking Republican member, Mr. LOWERY of California, and the hard work of the subcommittee staff have been major factors in achieving the formulation of this bill. I very much appreciate the contributions that they have made.

H.R. 5313 takes into account the severe budget problems facing our Nation. It recognizes to some extent the recent spectacular events in Eastern Europe and the Soviet Union which have brought about the end of the cold war and the need for formulation of a new defense policy in response to those developments.

I share the concerns about the need for a fairer distribution of defense burden sharing among our allies which have been expressed this year, as it has in many previous years. The economies of Western Europe and Japan have grown so strong that it not only just but necessary for those nations make a major increase the share they pay of cost of defending our comnon security interests.

I believe it is important to our national security that the United States participate in a free world alliance to share the cost of collective defense of combined interests around the world. At the same time, I must state that the United States cannot afford this policy, especially in light of the dramatic changes in central and Eastern Europe.

It is past time for the United States to tell its allies that the river of American defense dollars going offshore is being barricaded by a fed-up American public.

In recognition of the improved ability of these nations to share defense costs, the committee has recommended a $170 million reduction in the United States contribution to the North Atlantic Treaty Organization infrastructure program; and, denial of funding for projects eligible for funding under the Japanese Facilities Improvement Program and the Korean Combined Defense Improvement Program.

Further, the committee has recommended a $287 million—over 60 percent—reduction in overseas military construction. This funding has been redirected to higher priority projects in the United States. The bill also contains rescissions of $237.2 million of fiscal year 1990 funds which were provided for overseas projects.

These cuts were made for various reasons. They include—

Uncertainty regarding sensitive base rights;

The need for our allies to substantially expand their share of common defense costs;

Potential for overseas base closures and realignments; and,

The probability of cuts in U.S. military forces stationed in Europe.

Our subcommittee and committee are concerned about the vigorous efforts of the Department of Defense to close U.S. military bases before providing a new, post cold war defense strategy and related force structure plan to support it and before taking major action to close and realign U.S. overseas bases.

In view of the dramatic changes in the international military security situation, I believe the Nation must move toward a dual basing policy which permanently stations most U.S. military forces stateside with plans for temporarily deploying them to foreign locations for training and for crisis response.

In response to my request, the committee has directed, in the report accompanying this bill, the Department of Defense to provide by February 1, 1990, a report on the impact on the military constuction program of stationing 95, 90, and 85 percent of all active U.S. military forces at locations inside the United States.

As I have already indicated, this bill is below both the President's request and below last year's appropriations. That carries on a congressional tradition stretching back to the early 1940's. In 39 of the last 45 years, Congress has appropriated less money than Presidents requested be appropriated.

I would like to include in the RECORD at this point a table which documents the fact that funds appropriated by the Congress in the 1945–89 period were $173.5 billion less than Presidents proposed be appropriated during that time. The table is as follows:

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION BILLS, COMPARISON OF ADMINISTRATION BUDGET REQUESTS AND APPROPRIATIONS ENACTED

Calendar year	Administration budget requests	Appropriations enacted	Difference [1]
1945	$62,453,310,868	$61,042,345,331	−$1,410,965,537
1946	30,051,109,870	28,459,502,172	−1,591,607,698
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,206	−2,615,359,760
1955	55,044,333,729	53,124,821,215	−1,919,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	64,638,110,610	59,589,731,631	−5,048,378,979
1958	73,272,859,573	72,653,476,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,992	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,260,154,659	−4,543,137,456
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,480	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,612,996	133,339,868,734	−14,568,744,262
1969	142,701,346,215	134,431,463,135	−8,269,883,080
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	−6,471,697,688
1973	177,959,504,255	174,901,434,304	−3,058,069,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,432,093	282,536,694,665	+394,262,572
1977	364,867,240,174	354,025,780,783	−10,841,459,391
1978	348,506,124,701	337,859,466,730	−10,646,657,971
1979	388,311,676,432	379,244,865,439	−9,066,810,993
1980	446,690,302,845	441,290,587,343	−5,399,715,502
1981	541,827,827,909	544,457,423,541	+2,629,595,632
1982	507,740,133,484	514,832,375,371	+7,092,241,887
1983	542,956,052,209	551,620,505,328	+8,664,453,119
1984	576,343,258,980	559,151,835,986	−17,191,422,994
1985	588,698,503,939	583,446,885,087	−5,251,618,852
1986	590,345,199,494	577,279,102,494	−13,066,097,000
1987	618,268,048,956	614,526,518,150	−3,741,530,806
1988	621,250,663,756	625,967,372,769	+4,716,709,013
1989	652,138,432,359	666,211,680,769	+14,073,248,410
Totals...	10,249,467,607,455	10,075,912,028,737	−173,555,578,718

[1] Difference: Under −; over +.

Source: Prepared by House Committee on Appropriations.

Mr. LOWERY of California. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I rise today to support the fiscal year 1991 military construction appropriation bill. I serve on the Military Construction Subcommittee because I believe that improving the quality of life for those who serve our country in uniform is important. However, I support this year's bill with some degree of trepidation. In years past, shaping this bill has been an example of bipartisanship and cooperation. Unfortunately, this year this bill became controversial and difficult due to circumstances beyond the Military Construction Subcommittee's control. I would like to comment briefly on this point.

The subcommittee was first faced with passing an appropriation bill that had not been authorized, and during a time of budget negotiations between leaders of Congress and the administration. As a result, the bill we pass today may substantially change before it is signed by the President. I would prefer to wait until the defense authorization committees acted, and until a fiscal year 1991 budget was agreed on. But as time dragged on, it became apparent that the authorizing

committee was not going to pass a bill before the August recess, and that a budget agreement was not going to be reached. This subcommittee was faced with either passing a bill now, or waiting for Santa Claus to join the conference committee later.

As a result, several controversial decisions had to be made, the most contentious involving the dynamic between spending defense dollars on bases overseas, or spending those dollars here at home.

During consideration of this bill, we did not know, and we still do not know, what our force structure in Europe will look like in the next few years. We do know that troops will be coming home, but we don't yet know when or which ones. The administration's requests for overseas construction became outdated as time passed, and it did not make fiscal sense to fund many of the military construction projects at overseas bases that may either be deactivated or turned over to host governments. As a result, we funded only those highest priority projects identified by the services, and cut the rest. These reductions totaled $287,000 million.

Prompt completion of a Conventional Forces in Europe [CFE] Treaty will prevent further spending that will prove to have little long-term benefit for our national security. It will enable us to develop a workable and comprehensive defense plan by which construction needs at overseas bases can better reflect our national security policy through the 1990's and into the next century.

One provision in the bill I am concened about is the substantial reduction in NATO infrastructure obligations. There is a significant difference between funding construction projects overseas and living up to our commitment to NATO. We don't know which bases will be closed, so it is prudent to hold up construction funds until these decisions are made. What we do know is that the United States must remain a vital member of a strong NATO alliance. Reducing our NATO obligation unilaterally is a dangerous step that could have serious repercussions through the whole alliance.

In the wake of sweeping changes in the European landscape, and in anticipation of changes yet to come, the administration has continued to support a policy that includes full participation in the future of NATO, and full participation in whatever European security arrangement may be formed to complement NATO. I support this position. Despite our valid reasons for optimism about the course of events in Europe, the vast majority of changes have yet to be made permanent. A weakening of our resolve, and the resulting weakening of NATO, would encourage chaotic changes that could produce dangerous results.

Funding agreements should be made within the alliance itself, not unilaterally by Congress. This is the very charge we have leveled at our allies in the alliance in the past debates on burden sharing; it would be hypocritical of us to take this action now when uncertainty in Europe is greater than ever.

Crotone Air Force Base in Italy is a prime example. When completed, this base will be the home of the 401st Tactical Fighter Wing, comprised of our most sophisticated fighter aircraft. Given the volatility of NATO's southern flank, this base is vital to the security of the alliance. Not one member nation has backed away from the commitment to building this base, which represents the most unique example to date of NATO burden sharing. However, today there will be an amendment to zero out the U.S. obligation for this base. If approved, such a move would greatly jeopardize our credibility in the alliance.

Like many Members of this body, I have a base in my district currently under study for possible closure. Despite the severe economic consequences such a closure would have on my district, I will not pretend for the sake of my constituency that cutting military bases abroad will somehow legitimize keeping more bases open at home. These dicisions must not be based on dollar amounts, but on operational and strategic considerations, especially during a time when defense resources are becoming more scarce.

The subcommittee also had to make a decision regarding a continuing moratorium on military construction imposed by the Secretary of Defense. By the time it would expire in November, the moratorium would have been in effect for almost 1 year, creating additional projected costs and substantially harming businesses depending on completing winning bids for military construction projects. The moratorium has also unnecessarily delayed needed construction projects at bases that we know will not be closed.

The Comptroller General determined that the moratorium on construction was actually a deferral. The subcommittee then disapproved the deferrals. The administration could avoid this situation in the future if it simply determined those projects that were unnecessary and then rescinded them. That the subcommittee would be more amenable to this action is demonstrated by the approval of $286 million in rescinded military construction and family housing projects requested by the President.

I would also like to touch on the B-2 bomber program. The subcommittee cut $37.1 million from the $92 million requested for Whiteman Air Force Base for the B-2. I would have rather seen all of this money delayed until the authorization committee takes action on this issue, especially since there is an excellent chance that the program will be halted with the 15 currently authorized aircraft. The Air Force has not indicated what the mission of 15 or fewer B-2's would be, so the money for these construction projects may be premature.

Mr. Chairman, as I indicated earlier, the real purpose of the military construction appropriations bill is to improve the quality of life for our men and women in uniform which comprise the largest All-Volunteer Force in the world. Through military constructions programs in the 1980's, we made great progress in recruiting and retaining the highest caliber of personnel ever seen in our military. Despite the controversies it contaIns, this bill accomplishes that basic goal, and that's why I support it.

□ 1750

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. DICKS], a member of the subcommittee.

Mr. DICKS. Mr. Chairman, I want to compliment the chairman and the ranking member and all the members of our committee and the staff for another outstanding job.

The chairman pointed out that but for the money for base closure which has to be funded this bill would be about $890 million below what the President had requested and $670 million below last year's level, or a 13-percent reduction. I would hope that those people who have been offering across-the-board amendments would take into account this reality that this committee has done a good job and that I think any further cuts would be a serious mistake.

I want to also say that this bill does provide tremendous housing and other requirements for our military personnel. I think we still have met the basic needs here even though we are in a period of transition.

Again, I want to compliment particularly our chairman. He has done an outstanding job year after year on this bill making sure that every dollar is justified, and I think he deserves enormous credit and support on this measure.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. CHAPMAN], who is a member of the subcommittee.

Mr. CHAPMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like just to take this opportunity to congratulate the subcommittee and the Committee on Appropriations for their work on this bill. The direction of the Department of Defense in the months and years ahead is one that I know concerns us all, particularly those of us

who have substantial commitments of the armed services in our congressional districts.

I think that this bill is particularly sensitive in its addressing some of the issues that are critical to the future manpower needs, particularly of the Army. I have in my district a supply depot that may or may not be able to be a vital and vibrant part of a consolidated supply effort of the military and the Department of Defense in the years ahead. This bill addresses the concerns of my constituents in that facility, the Red River Army Depot, as well as many others, in directing that the Department of Defense be very careful in its analysis of its future supply needs and view with caution and care whether or not in its consolidation and base closing procedures it is in our national security interests and the interests of the American taxpayer to proceed as they have in the past.

I just want to say I think this committee has done a great job, the Committee on Appropriations has, and I want to congratulate the gentleman from North Carolina [Mr. HEFNER] for his efforts in this behalf, because I think it is the goal of everyone in this body that as we move forward with cuts to the Department of Defense, as most surely we will, that we do so in a way that neither jeopardizes our national security or wastes any money of the taxpayers.

I think this bill has struck a very good compromise in those efforts. I applaud the committee.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. DORGAN], who is not a member of the committee.

Mr. DORGAN of North Dakota. Mr. Chairman, I appreciate the gentleman's yielding me this time.

Mr. Chairman, I want to comment especially about the proposal in this appropriation bill for the MX rail garrison missile. We are deciding today to defer funding for the MX rail garrison missile, which is the first step in scrapping a weapon system we do not need. The world is changing dramatically. The walls of communism are crumbling all around the world, and we must reflect this in what we do in defense policy.

Yes, we need a defense. We need an Army that is combat-ready. We need airplanes that fly. We need guns that fire. But we do not need gold-plated weapon systems built with money we do not have.

I think the MX rail garrison missile is a waste. If we are so all-fired bent on putting missiles on railroad cars, why not instead put wheat on railroad cars, and move it around the world at $5 a bushel to the producers?

The MX rail garrison missile was to have been built in my home State, among others, providing millions of dollars and hundreds of jobs. In my judgment, we should not build weapons we do not need, with money we do not have.

This is the first step in facing reality on defense policy. We must finally face reality if we are going to reduce the Federal deficit and begin investing in things that make a better life in America.

Mr. LOWERY of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I would like to ask my colleague if he would join me in a brief colloquy.

As the chairman knows as well as my colleague, the gentleman from California [Mr. LOWERY], San Bernardino County was hit as heavily in the base-closing process as any in the country, two Air Force bases closed down. Within that mix in the Commission's report, they said the following, "Because of the high cost of relocation and the function requirement of the ballistic missiles office to remain in a local area, the Commission recommends it remain at Norton Air Force Base.

Subsequent to that report passing the House, the Air Force moved very quickly in their effort to do just the reverse of that which the report indicated they should do. As a result of that, the committee this year has put language within their bill that clearly restates the committee's intent as well as the intent of this Commission. Is that correct?

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, that is correct. It was the committee's intent to keep faith with the Base Closure and Realignment Commission and the report, and on page 4 of the bill, line 15, we put language, "Provided further that herein and hereafter the ballistic missile organization shall not be relocated from Norton Air Force Base, CA."

Mr. HEFNER. Will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I wanted to thank the gentleman from California [Mr. BROWN], and the gentleman from California [Mr. LEWIS], for bringing this to our attention, because it seemed to us that maybe the Air Force was trying to do an end run and kind of circumvent what should be done.

I want to thank the gentleman, and the gentleman from California [Mr. BROWN] for bringing this to our attention.

Mr. LEWIS of California. Reclaiming my time, I would like to thank both the chairman and the ranking member for their cooperation in the problem that faces both the gentleman from California [Mr. BROWN] and myself in our districts. I appreciate the help of the gentlemen.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES of Louisiana. Mr. Chairman, I want to congratulate the House. Whenever most of those appropriation bills are handled, someone like the gentleman from Kentucky is the recipient of endless accolades for his fine work, but after having a conference earlier with many Members from Georgia and Alabama, we have decided not to burden anyone this afternoon with those endless compliments, and we are sure the gentleman from North Carolina [Mr. HEFNER] understands.

Mr. HEFNER. Mr. Chairman, I might emphasize that the gentleman from Louisiana is not a member of the subcommittee and not likely to be.

Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. SMITH], who is a member of the Committee on Appropriations and a very distinguished member.

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I commend the members of the subcommittee for this bill. I looked the bill over, and I had in mind the fact that we are in a great transition, with regard to priorities for the Armed Forces at home and in the world. I think that this bill does better than any other that we have developed in recognizing the transition that we are in.

Someone in Iowa said to me, "How can you justify continuing to appropriate money for defense facilities and equipment when we are reducing the Armed Forces?"

□ 1800

A part of what is going on is that we are going to rely more on the National Guard and Reserves and less on large numbers of Regulars. So we are going to be abandoning some of the bases at the same time that we are shifting over to more dependence upon Reserves and National Guard and training them to be fully qualified and ready to go if needed with the latest equipment.

I think this bill does a good job of that, and I do commend the subcommittee for the bill.

Mr. FAZIO. Mr. Chairman, I rise today in strong support of H.R. 5313, the fiscal year 1991 military construction appropriations bill. First, I would like to express my deep appreciation to the chairman of the Subcommittee on Military Construction, Mr. HEFNER, and the

ranking minority member, Mr. LOWERY, for the time and energy they each put into crafting this bipartisan bill. As a member of the subcommittee, I can attest to the pragmatic and cooperative spirit with which this legislation was prepared. In addition, the subcommittee staff is to be commended highly for the long hours they put into the subcommittee's hearings and for their work in putting this year's bill together.

Mr. Chairman, H.R. 5313 has been drafted to reflect the changes that are taking place in the world around us. The bill recommends a total of nearly $8.3 billion in fiscal year 1991 for military construction and family housing. This represents a reduction of $837 million below President Bush's budget request and $205 million below last year's appropriation. Aside from making its contribution to our deficit reduction effort, I am also pleased to report that H.R. 5313 takes an important and needed step toward ensuring that environmental cleanup at military bases is completed.

We are currently in the process of closing 86 domestic military installations as directed by the Base Closure and Realignment Act of 1988. A fundamental tenet of the act was to enable affected communities to convert these installations to civilian use in an expeditious manner. However, the enormity of environmental restoration work needed at these sites is already presenting significant barriers to this process. With this in mind, I introduced legislation (H.R. 5174), together with Chairman HEFNER and Mr. LOWERY, to do the following:

First, increase the authorization and appropriations for the base closure account by $81.6 million and require that this additional funding be used only for environmental restoration activities at installations to be closed pursuant to the Base Closure and Realignment Act of 1988;

Second, create an interagency task force to develop ways to improve coordination and cooperation among the relevant agencies to ensure that cleanup activities and property transfers are expedited.

Mr. Chairman, H.R. 5174 simply codifies into law what has been the subcommittee's position since the Base Closure Act was passed—to ensure a rapid transfer of base closure sites to civilian use. H.R. 5174 will help ensure that funding is available for environmental restoration activities required under the Base Closure Act and will ensure that the closing facilities will be given priority consideration in the budget process.

The House Armed Services Committee is expected to adopt the provisions of H.R. 5174 when they mark up the fiscal year 1991 Defense authorization bill this week. The military construction appropriations bill, H.R. 5313, provides the first full infusion of funding needed to implement my legislation. Moreover, H.R. 5313 guarantees that base closure cleanup activities will continue so that the recovery process for affected communities can begin in a more timely fashion. I look forward to working with Chairman HEFNER and Mr. LOWERY in the future as the Subcommittee on Military Construction continues its oversight in this area.

Perhaps the only contentious issue the subcommittee had to address this year was the proposed construction of a new Air Force base in Crotone, Italy. The Crotone base is scheduled to be the new home base for the 401st Tactical Fighter Wing. The Crotone base is the result of the Air Force's efforts to relocate the 401st Tactical Fighter Wing from Torrejon Air Base, Spain to Crotone, Italy. Increasing local resistance to United States forces on its soil led Spain to tie its continued participation in NATO with a significant reduction of United States forces in Spain. As part of this agreement, the 401st Tactical Fighter Wing is scheduled to leave Torrejon in May 1992.

The Air Force initially planned to deactivate the 401st, but NATO proposed relocating the 401st to another southern European location. Italy agreed to be the new host of the 401st, and NATO agreed to fund much of the construction costs through the NATO Infrastructure Fund. The 401st provides the only U.S. land-based aircraft in the Southern Region, where our allies' air power capabilities are the weakest and where our ability to respond to tensions in the Middle East and North Africa has grown in importance.

I fully recognize the seeming conflict between DOD's efforts to close various domestic military installations while proceeding with the construction of a brand new airfield in Crotone. However, this issue goes far beyond the issue of military construction costs. The Crotone airbase is the result of negotiations between NATO, Italy and the United States. It is as much a diplomatic and foreign policy issue as it is a question of military spending. NATO has agreed to pay over half of the total cost of construction which is a significant step toward the level of burden sharing that we have urged our allies to achieve in recent years. Furthermore, the bulk of the U.S. share of the cost of construction would come out of the dues we pay to NATO and, therefore, would not constitute an additional expense beyond what we already pay to NATO.

However, the subcommittee did include language in H.R. 5313 to prohibit the use of funds appropriated in fiscal year 1991 or in previous years for construction of facilities in Crotone, Italy until December 31, 1990. This provision will avoid any precipitous action relating to the Crotone facility, but puts a hold on any work at the Crotone base while Congress can fully explore the budgetary and foreign policy implications involved in this project. At this time, I believe that the subcommittee's approach is the most appropriate action.

Finally, Mr. Chairman, I would like to point out several projects included in H.R. 5313 which affect bases in my district. For McClellan Air Force Base, $11.2 million has been appropriated for the construction and upgrading of a depot corrosion control facility. As part of its mission to provide maintenance and repair work for some of our country's most advanced aircraft, McClellan employs a corrosion prevention program which entails the painting and paint stripping of aircraft. These activities are currently performed in substandard facilities. The $11.2 million allocation will be used to construct a new paint facility with advanced technology and to convert the existing facility into a paint stripping shop.

Travis Air Force Base has two projects being funded at a level of $10.8 million. $5.8 million will be used to complete renovation of a vacated medical facility. The renovated building, which has 193,000 square feet of floor space, will be used as centrally located office space for the support functions at the base. The centralized office building will replace World War II and Korean War vintage buildings.

The remaining $5.0 million requested for Travis AFB will be used to construct a dining hall to serve unaccompanied enlisted personnel. Two of the current dining facilities cannot be economically upgraded to support approximately 2,700 enlisted personnel. The old dining facilities will be demolished upon completion of this project.

Also included in H.R. 5313 is $6.3 million for the construction of a dormitory on Beale Air Force Base. Unaccompanied enlisted personnel are currently housed in 10, 30-year-old wood dormitories which cannot be upgraded to meet Air Force standards. Due to the distance from adequate local community housing and limited transportation, off-base housing is not attractive nor affordable for many of the junior enlisted personnel. An economic analysis concluded that it would be more economical to build new on-base housing rather than house enlisted personnel off-base.

Mr. Chairman, investing in the infrastructure of U.S. military installations will only translate into improved morale, efficiency and productivity. H.R. 5313 is a fair and well-balanced bill, and reflects the need to maintain modern military facilities. I am pleased to have had the opportunity to work with Chairman HEFNER, Mr. LOWERY and the other subcommittee members to craft this legislation, and I strongly urge my colleagues to support the bill.

Mr. BRENNAN. Mr. Chairman, I rise today in strong support of H.R. 5313, military construction appropriations for fiscal year 1991. As we face a changing world political climate with the decline of communism and the Soviet threat, we are seeing a corresponding decline in defense dollars. We in this Congress have a special responsibility to the men and women who serve in our Armed Forces. As dollars for Defense shrink, our commitment to the quality of life for our personnel should not be shaken.

I am pleased to offer my appreciation to subcommittee chairman, BILL HEFNER, and ranking member BILL LOWERY for crafting a measure which addresses many high priority military construction projects. As our forces are drawn down, we must carefully restructure and maintain the quality and readiness of our military. An important component of troop morale and readiness is insuring quality of life concerns—such as military housing and facilities. This measure will assist in meeting that goal while at the same time reporting a measure which is under last year's appropriations level.

There are projects of particular interest to my home State of Maine which I wish to emphasize. Funding is provided for a dry dock modernization and cover at the Portsmouth-Kittery Naval Shipyard. This modernization project will enhance worker productivity, safety, and efficiency through its completion. In working on our newest and most modern submarines, the support facilities should reflect state-of-the-art technology and equip-

ment. The covered dry dock facility is a positive step toward meeting the challenges of future naval ship repair and overhauls.

I am also pleased with the inclusion of funds for a munitions equipment storage facility at Loring Air Force Base. This is another indication of the strong commitment given to the role and mission of Loring AFB by DOD and this Congress.

I urge my colleagues to join me in a strong show of support for this measure which meets the many high priority military constructuion needs and keeps the funding level below last years level.

Mr. CRAIG. Mr. Chairman, I rise today during consideration of H.R. 5313, the military construction appropriations for fiscal year 1991, to detail the impressive credentials of one of our Nation's most vital military installations, Mountain Home Air Force Base.

Mountain Home Air Force Base, the only active military installation in the State of Idaho, is home to a number of aircraft, including the 389th and 391st Tactical Fighter Squadrons. However, these two squadrons are being deactivated and their 35 F-111A aircraft drawn down, as ordered by the Base Closure and Realignment Act of 1990. Although the act also called for the relocation of F-4s to the base, the F-4 is being phased out, so it is unclear what aircraft will replace the F-111As. In addition, Air Force Secretary Rice has stated that the base is currently in a "holding pattern" until the Nation's future military needs are determined.

In this time of tight budgets and reduced military tensions, there is talk of closing military installations in addition to those eliminated by the Base Closure and Realignment Act of 1988. Although I am pleased to note that H.R. 5313 would appropriate $1.35 million for construction at the Mountain Home Air Force Base, many in Idaho remain concerned that the base may be one of the next round of closures. I would like to take this time to state that such an act would seriously harm my State's economy and severely threaten national security.

For more than 47 years, Mountain Home Air Force Base and the city of Mountain Home have worked together to establish a relationship based on friendship and cooperation. The air base allows the town of 8,900 to exist and grow. Its economic impact can be felt 40 miles away in our State capital, as $100 million is spent each year in the region surrounding the base. Recognizing this important coexistence, the Mountain Home community will be celebrating its 30th annual Air Force Appreciation Day on the eighth of September this year.

Mountain Home Air Force Base has a bright future that Idahoans have worked hard to assure. The postponement of the Department of Defense's realignment program give Idaho time to show the Federal Government the distinct advantages that Mountain Home Air Foce Base offers.

Mr. Chairman, I invite Congress and the Department of Defense to take a closer look at Mountain Home, ID, where they will find a friendly community and model Air Force base critical to the preservation of our Nation's security.

Ms. PELOSI. Mr. Chairman, I rise today in support of the provision to earmark funds from the base closure and realignment account for environmental cleanup in H.R. 5313. I commend my esteemed colleague, Congressman VIC FAZIO, for his leadership on this important issue.

Mr. Speaker, the environmental mess left behind by the Department of Defense at domestic and international bases is the untold story of the end of the cold war. The General Accounting Office estimates that the cost of cleaning up hazardous waste at bases slated for closure by the Base and Realignment and Closure Commission will be a staggering $661 million.

Moreover, this figure is in all likelihood too low. For example, the Commission estimated that the cleanup of the Presidio of San Francisco would cost $2 million. The Commission cites the presence of asbestos, PCB's, leaking underground storage tanks, transformers, and unspecified "contaminated sites." The GAO estimate is $10 million. But, according to Army officials at the Presidio, environmental cleanup will cost an estimated $82.5 million, 10 times as much as the GAO estimate and 40 times the DOD estimate.

With the enormity of the cleanup undetermined, I consider the appropriation of $81.6 million for environmental cleanup at closed bases an extremely important step for us to take. These funds will help fulfill the intent of the Base Closure and Realignment Act by allowing conversion of military bases to civilian uses in an expeditious manner and help us on the road to a peacetime economy.

I must add, however, that the environmental restoration of closed bases included in this appropriations bill should only be the beginning of our efforts to confront the Defense Department's environmental mess. Based on current Department of Energy, DOD, and GAO estimates, the total cost of bringing U.S. military facilities—military bases, nuclear warhead and chemical production sites—into compliance with environmental laws and mending the damage they have caused could easily exceed $150 billion, or over half of all defense spending for 1990.

Before we can enjoy a peace dividend, we must face the cost of cleaning up the toxic hot spots left by the cold war. I urge my colleagues to vote for H.R. 5313 to begin the process of environmental restoration at military bases. Thank you.

Mr. CAMPBELL of Colorado. Mr. Chairman, I have no choice today but to vote against H.R. 5313, the military construction appropriations bill for fiscal year 1991.

My vote is not directed at the important efforts of Chairman HEFNER and his Appropriations Subcommittee, which faces a difficult job each year in trying to fund military construction projects. I have appreciated and supported the committee's efforts in the past.

Rather, my vote is one of protest and frustration. For the past year and a half, I have attempted to obtain from the Army the cost of relocating existing missions at the Pueblo depot activity, a facility in my district which is the subject of realignment and of an uncertain future. The realignment is supposedly being carried out to save money and yet, the order for other military facilities to assume Pueblo's missions, new facilities need to be built and new personnel hired. No one has ever been able to explain to me how this is supposed to save money.

I don't know whether any of this money being appropriated will ever be used to build new facilities to carry out missions currently being performed at Pueblo. But until I am shown that moving Pueblo missions elsewhere is cost-effective for taxpayers, I cannot vote for this bill.

And so, here we are, a year and a half after I began my appeals for information, and I and the people of Pueblo are still in the dark. I cannot in good conscience vote for the extinction of jobs in my district without being able to tell my constituents whether such action is budgetarily sound or not. They at least deserve this much consideration, and they haven't gotten it.

Mr. COLEMAN of Texas. Mr. Chairman, as a member of the subcommittee, I rise in support of this bill. It is unusual for our subcommittee to report to the House a bill which is under the President's request. In year after year of hearings, we have heard about the Office of Management and Budget [OMB] eliminating funding sought by the services for construction of facilities, barracks modernizations, and family housing. In bill after bill, we have had to add funding to a Presidential budget request which has failed to meet the needs of the men and women in our armed forces. This year, it is only appropriate that we step back from our regular pattern and withhold funding for a number of items. It makes no sense for us to go ahead with a full-blown spending program overseas while we are in the midst of conventional force reduction talks. This bill also suspends judgment on such sensitive issues as the future of the B-2 bomber program, the MX missile program and the relocation of a wing of F-16 fighters along NATO's southern flank from Torrejon in Spain until such time as the authorization committee and the House have had a chance to work their will on these issues. On the issue of Crotone, it is my personal belief that a freeze on the obligation of funds throughout the upcoming fiscal year is appropriate, but the bill in its present form simply defers the issue until the end of the calendar year.

I will speak to just one issue in this bill among the many to which the subcommittee devoted its attention—the moratorium on new construction imposed by the Secretary of Defense. As members of the House are aware, Secretary of Defense Cheney placed a moratorium on the letting of new construction contracts in January. Since that time, the moratorium has long since outlived its usefulness. In fact, in extending the moratorium on two occasions, and specifically, in acting more recently to extend it through November 15, it is clear that the Bush administration is not any longer imposing a moratorium, it is attempting to defer the obligation of appropriated funds without coming to the Congress and declaring its intentions.

In fact, the Comptroller General ruled that the repeated "moratorium" constituted a de facto violation of the Budget Impoundment and Control Act in a letter to the committee dated June 28, 1990. In view of this ploy, the

committee has overturned the deferral and ordered the obligation of these fiscal year 1990 moneys. My only frustration is that, because the bill will likely not be enacted until well into the fall of this year, the Department of Defense will likely have gotten away with not spending funds it was ordered to spend by the Congress for an entire fiscal year. Frankly, this bothers me a good deal. If the President or the Secretary of Defense had approached the Congress with a deferral message, saying in effect, we disagree with your priorities, then we might have discussed the question out in the open. But this administration apparently chose not to be so straightforward. Under the circumstances, the committee has had no choice but to act as it has in this regard.

I strongly support this bill and urge its passage.

Mr. KOSTMAYER. Mr. Chairman, I rise today in support of provisions included in the fiscal year 1991 military construction authorization appropriations bill that would set-aside 7,600 acres of the Fort Meade Army Post for transfer from the U.S. Army to the U.S. Fish and Wildlife Service.

Mr. Chairman, on April 16, 1990, my subcommittee, the General Oversight and Investigations Subcommittee of the House Interior Committee held a hearing regarding this most precious piece of open space. Fort Meade represents one of the last remaining significant open spaces in the corridor between Boston and Richmond, VA. As a result of this hearing, various groups were able to air their discontent over the Army's original proposal to sell 9,000 acres for development. But through legislation passed by the House of Representatives, a large parcel was transferred at no cost to the Department of the Interior for wildlife purposes. Of the 9,000 acres, only 1,400 will not be included in the transfer.

I'd like to thank the Fort Meade Coordinating Council, a 30-member panel of local officials and residents, who unanimously endorsed a plan to convey 9,000 acres of the post to the U.S. Fish and Wildlife Service. The Fish and Wildlife Service will most likely annex the land to the adjacent Patuxent Wildlife Research Center, an idea endorsed by Maryland's congressional delegation, the State Senate, the Howard, Anne Arundel, and Prince Georges County governments and numerous environmental groups.

This is a crucial, far-reaching step in the overall scope of protecting open space as we enter the 21st century. More decisions like these will have a resounding affect on protecting our rapidly diminishing open space.

Until about 30 years ago, many of our Nation's farms, forests, meadows, valleys and plains—the hallmarks of the American landscape—had gone largely unchanged. Today, a depressing sameness is creeping over the American countryside. The rolling hills of Georgia are becoming crowded with the same shops and housing developments that fill the alluvial plains along the Mississippi. At the ground level, the sweeping valleys of California now bear a remarkable resemblance to the bedroom communities along the Hudson River.

With the advent of this transfer, created will be the largest contiguous forest preserve in the Northeastern United States and the second-largest greenspace between Boston and Richmond, VA—more than 19,000 acres.

This is the last chance to protect the Baltimore-Washington corridor from becoming an environmentally impure area. One which future generations can enjoy.

Mr. Chairman, I expect that my subcommittee will continue to monitor the remaining forests, sanctuaries, and valleys in the Northeastern corridor, and continue to protect all potentially endangered open space in the future.

It is my hope that more counties across this great land pay special heed to this pivotal decision to free the wildlife of any danger of their stomping grounds being sapped up to shopping malls, condominiums, and parking lots.

Mr. LOWERY of California. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFNER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1991, for military construction functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, and for construction and operation of facilities in support of the functions of the Commander in Chief, $747,067,000, to remain available until September 30, 1995: *Provided,* That of this amount, not to exceed $95,577,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 99-173, $1,900,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 99-500 and Public Law 99-591, $14,905,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 100-202, $29,030,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 100-447, $26,910,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 101-148, $44,000,000 is hereby rescinded.

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSION)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,137,278,000, to remain available until September 30, 1995: *Provided,* That of this amount, not to exceed $76,951,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Navy" under Public Law 101-148, $6,200,000 is hereby rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $949,446,000, to remain available until September 30, 1995: *Provided,* That of this amount, not to exceed $107,741,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Air Force" under Public Law 100-447, $4,700,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Air Force" under Public Law 101-148, $20,690,000 is hereby rescinded: *Provided further,* That, herein and hereafter, the Ballistic Missile Organization shall not be relocated from Norton Air Force Base, California.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $625,326,000, to remain available until September 30, 1995: *Provided,* That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further,* That of the amount appropriated, not to exceed $94,285,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Defense Agencies" under Public Law 100-447, $35,578,000 is hereby rescinded: *Provided further,* That of the funds appropriated for

"Military Construction, Defense Agencies" under Public Law 101-148, $32,541,000 is hereby rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of North Atlantic Treaty Organization Infrastructure programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts and section 2806 of title 10, United States Code, $250,000,000, to remain available until expended: *Provided,* That none of the funds appropriated or otherwise available under the North Atlantic Treaty Orgranization Infrastructure Account in this or any other Act may be obligated for planning, design, or construction of military facilities or family housing to support the relocation of the 401st Tactical Fighter Wing to Crotone, Italy, until December 31, 1990.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $201,558,000, to remain available until September 30, 1995.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $135,240,000, to remain available until September 30, 1995.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $68,297,000, to remain available until September 30, 1995.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $63,300,000, to remain available until September 30, 1995.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $37,700,000, to remain available until September 30, 1995.

FAMILY HOUSING, ARMY

(INCLUDING RESCISSIONS)

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $61,800,000; for Operation and maintenance, and for debt payment, $1,463,967,000; in all $1,525,767,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1995: *Provided further,* That of the funds appropriated for "Family Housing, Army" under Public Law 100-202, $4,264,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Family Housing, Army" under Public Law 100-447, $8,400,000 is hereby rescinded.

FAMILY HOUSING, NAVY AND MARINE CORPS

(INCLUDING RESCISSION)

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $185,000,000; for Operation and maintenance, and for debt payment, $691,101,000; in all $876,101,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1995: *Provided further,* That of the funds appropriated for "Family Housing, Navy and Marine Corps" under Public Law 101-148, $11,037,000 is hereby rescinded.

FAMILY HOUSING, AIR FORCE

(INCLUDING RESCISSIONS)

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $185,100,000; for Operation and maintenance, and for debt payment, $771,442,000; in all $956,542,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1995: *Provided further,* That of the funds appropriated for "Family Housing, Air Force" under Public Law 100-202, $1,941,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Family Housing, Air Force" under Public Law 100-447, $167,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Family Housing, Air Force" under Public Law 101-148, $43,856,000 is hereby rescinded.

FAMILY HOUSING, DEFENSE AGENCIES

(INCLUDING RESCISSIONS)

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $500,000; for Operation and maintenance, $20,514,000; in all $21,014,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1995: *Provided further,* That of the funds appropriated for "Family Housing, Defense Agencies" under Public Law 101-148, $300,000 is hereby rescinded.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754, as amended), $5,100,000, to remain available until expended.

BASE REALIGNMENT AND CLOSURE ACCOUNT

For deposit into the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), $998,100,000, to remain available for obligation until September 30, 1995: *Provided,* That none of these funds may be obligated for base realignment and closure activities under Public Law 100-526 which would cause the Department's $2,400,000,000 cost estimate for military construction and family housing related to the Base Realignment and Closure Program to be exceeded: *Provided further,* That $81,600,000 of the funds appropriated herein shall be available solely for environmental restoration.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Naval Facilities Engineering Command, except (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in this Act shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual military construction appropriation Acts.

SEC. 107. None of the funds appropriated in this Act for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in this Act may be used for the procurement of steel for any construction

project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in this Act may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in this Act may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan or in any NATO member country, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in this Act for military construction in the United States territories and possessions in the Pacific and on Kwajalein Island may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 113. The Secretary of Defense is to inform the Committees on Appropriations and the Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel thirty days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

(TRANSFER OF FUNDS)

SEC. 114. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account during fiscal year 1991, shall be transferred to the appropriations for Family Housing provided in this Act, as determined by the Secretary of Defense, based on the sources from which the funds were derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.

SEC. 115. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 116. Funds appropriated to the Department of Defense for construction in prior years are hereby made available for construction authorized for each such military department by the authorizations enacted into law during the second session of the One Hundred First Congress.

SEC. 117. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with a report by February 15, 1991, containing details of the specific actions proposed to be taken by the Department of Defense during fiscal year 1991 to encourage other member nations of the North Atlantic Treaty Organization and Japan to assume a greater share of the common defense burden of such nations and the United States.

SEC. 118. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 119. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 120. Of the funds appropriated in this Act for Operations and maintenance of Family Housing, no more than $16,000,000 may be obligated for contract cleaning of family housing units.

SEC. 121. None of the funds appropriated in this Act may be used for the design, construction, operation or maintenance of new family housing units in the Republic of Korea in connection with any increase in accompanied tours after June 6, 1988.

SEC. 122. None of the funds appropriated in this Act for planning and design activities may be used to initiate design of the Pentagon Annex.

SEC. 123. None of the funds appropriated in this Act, except those necessary to exercise construction management provisions under section 2807 of title 10, United States Code, may be used for study, planning, design, or architect and engineer services related to the relocation of Yongsan Garrison, Korea.

SEC. 124. None of the funds herein or heretofore appropriated for Military Construction and Family Housing are available to fund costs associated with military operations in Panama known as Operation Just Cause, notwithstanding transfer authority contained in section 211 of Public Law 101-302.

SEC. 125. The Congress disapproves the deferrals relating to the Department of Defense as set forth in the message from the Comptroller General transmitted to the Congress on June 28, 1990 (H. Doc. 101-210).

SEC. 126. (a) Notwithstanding any other provision of law, the Secretary of the Army shall transfer, no later than September 30, 1991, and without reimbursement, to the Secretary of the Interior the real property, including improvements thereon, consisting of approximately 7,600 acres of Fort Meade, Maryland, located generally south of Maryland Route 198 extended and the power-line right-of-way, as determined under subsection (d).

(b) The Secretary of the Interior shall administer the property transferred pursuant to subsection (a) consistent with wildlife conservation purposes and shall provide for the continued use of the property by Federal agencies to the extent such agencies are using it on the date of the enactment of this Act, including activities of the Department of Defense that are consistent with the recommendations of the Base Realignment and Closure Commission.

(c) The Secretary of the Interior may not convey, lease, transfer, declare excess or surplus, or otherwise dispose of any portion of the property transferred pursuant to subsection (a) unless approved by law.

(d) The exact acreage and legal description of the property to be transferred under this section shall be determined by a survey satisfactory to the Director of the United States Fish and Wildlife Service within the Department of the Interior, after consultation with the Department of the Army and appropriate State and local government officials.

SEC. 127. (a) IN GENERAL.—(1) Subject to subsections (b) through (e), the Secretary of the Army may convey to the city of Tacoma, Washington, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, located at 3009 North Star Street, Tacoma, Washington, consisting of approximately 6.7 acres.

(2) The conveyance under paragraph (1) shall be made in consideration for a 50-year leasehold interest in and to Pier 23, Port of Tacoma, made available by the State of Washington to the Department of the Army.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) The property conveyed shall be used for public purposes.

(2) The Secretary may reserve to the United States (and shall include in the instrument of conveyance) such easements and other interest in the property conveyed pursuant to this section as the Secretary determines necessary or convenient for the operations, activities, and functions of the United States.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed pursuant to this section is not being used for the purposes specified in subsection (b)(1), all right, title, and interest in and to the property (including improvements thereon) shall revert to the United States and the United States shall have the right of immediate entry thereon.

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

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

SEC. 128. None of the funds appropriated in this Act, except for North Atlantic Treaty Organization Infrastructure funds, may be used for planning, design, or construction of military facilities or family housing to support the relocation of the 401st Tactical Fighter Wing from Spain to another country.

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous that the bill through page 20, line 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order against that part of the bill?

AMENDMENT OFFERED BY MR. ALEXANDER

Mr. ALEXANDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER: On page 6, line 10 strike", until December 31, 1990"

POINT OF ORDER

Mr. MARTIN of New York. Mr. Chairman, I make a point of order against the Alexander amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MARTIN of New York. Mr. Chairman, the Alexander amendment strikes the date with respect to the proviso on page 6 of the bill, thereby broadening the application of the legislative provision contained in the bill.

On July 30, 1985, an amendment to strike the word "Federal" from a legislative provision in the District of Columbia appropriations bill was found by the Chair not to be in order. The Chair held that the amendment broadened the application of that underlying legislative provision, which prohibited the use of funds for abortions with certain exceptions. By striking the word "Federal," the application was broadened by expanding the funding restriction to local funds in the bill. Similarly it retained the requirements for new determinations regarding the life of the mother with respect to the use of those funds. As a result the amendment was not allowed to be offered under clause 2(c), rule XXI, since the amendment was additional legislation subject to a point of order under that clause. The Chair was specific to rule that, and I quote, "the amendment in effect constitutes or creates a new limitation * * *."

The Alexander amendment presents a similar problem. It creates a new limitation. The amendment strikes a date certain in the legislative restriction, and thereby extends the application of the provision from December 31, 1990 to September 30, 1991, the end of the fiscal year. As the Chair ruled on July 30, 1985, the amendment broadens the application of the legislative provision—from December 31 to September 30, and it retains the legislative requirements in the underlying amendment. In effect, the Alexander amendment creates a new limitation that is legislative in nature. Because under the 1985 precedent, the deletion of language creates a new and broader limitation and for that reason is subject to a point of order as legislation on an appropriations bill, this amendment should be ruled out of order.

Furthermore, Mr. Chairman, under the precedents of the House, there is another ground on which to rule this amendment out of order. Under section 3.43 of chapter 26 of Deschler's precedents, an amendment which creates a new congressional policy different from that expressed in the bill is no longer to be considered a perfecting amendment. The policy in the section that the gentleman seeks to amend is to delay obligation of funds until December 31.

The policy that the gentleman seeks to set forth is to provide no funding under this bill for the project in question. The difference between delaying funding by 3 months and not funding at all is so substantial as to constitute a change in policy and therefore under the precedents means that the gentleman's amendment cannot be considered a perfecting amendment, but rather a new limitation that is not protected under the rules and must be struck on a point of order as legislation on an appropriation bill.

Mr. Chairman, I ask that the point of order be sustained.

The CHAIRMAN. Does the gentleman from Arkansas [Mr. ALEXANDER] wish to be heard on the point of order?

Mr. ALEXANDER. Yes, Mr. Chairman.

Mr. Chairman, the effect of my amendment would merely have the effect of extending the existing limitation which is carried in the committee-reported bill from 3 months to 12 months, in effect making it a full year limitation applicable to the entire fiscal year rather than to a portion of the fiscal year. It provides no new material and is not legislation on an appropriation bill.

Moreover, I would add that my amendment goes to a paragraph that is protected under the rule.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from New York makes a point of order that the amendment offered by the gentleman from Arkansas violates clause 2 of rule XXI by legislating on a general appropriation bill.

The pending paragraph contains a legislative proviso permitted to remain in the bill by waiver of points of order pursuant to H.R. 441. As indicated on page 21 of the committee report, the proviso restricts until December 31, 1990, the obligation of certain funds in the bill and certain unobligated balances from prior years. The amendment strikes the delimiting date from the proviso.

Where legislative language is permitted to remain in a general appropriation bill by waiver of points of order, a germane amendment merely perfecting that language and not adding further legislation is in order. A case analogous to this one is recorded as precedent in Deschler's volume 8, chapter 26, section 3.28. There, an amendment to legislation permitted to remain simply changed a ceiling on certain public housing starts from 25,000 to 5,000. Here, the amendment simply changes the period of the restriction on obligation from one-quarter of the fiscal year to the full fiscal year. The precedent cited by the gentleman from New York, on the other hand, either involved a different statement of policy on its face, or applied to different funds. The instant amendment is merely perfecting the question of delay.

Accordingly, the point of order is overruled.

Mr. ALEXANDER. Mr. Chairman, I would like to say to my colleagues that like many of them I am a veteran of the Armed Forces. I served in the U.S. Army during the Korean era, and since coming to Congress I have received training by the Air Force, flight training, and by the U.S. Navy, U.S. Navy diving training. I believe that we in this Congress and the American people owe to our men and women in uniform the best possible support and the best materials and the best weapons that money can buy. We have an obligation to help keep them the best. And, that is exactly what I have striven to do since I have come here as a Member of Congress.

We also owe our men and women in uniform something else that is vital to their success as the best fighting forces on Earth, and that is a clear, comprehensive, concise defense strategy.

We are in the first stages of the post-cold war era. It is vital that the Department of Defense and all other agencies of government make plans based on changing world conditions.

Even though DOD has not come forward with a new defense plan and the formulation of the necessary force structure to support it, domestic bases are being closed or proposed for closure while new ones are being built overseas.

These decisions are being taken in the absence of a clear-cut, over-all defense strategy. This is what we in Arkansas would call putting the cart before the horse. Insisting on that arrangement tends to move you in the wrong direction. I fear that is what is happening in the case of Crotone.

A number of Members have asked to join me in this amendment, some of who are here today, one of whom has just shown up and asked that he be mentioned as an original cosponsor of the amendment, the gentleman from Wisconsin [Mr. OBEY].

By adopting this amendment to strike four words from the text of this military construction appropriations bill, the House can vote to save American taxpayers millions of dollars which would otherwise be used to build a new Air Force base in Crotone, Italy.

The General Accounting Office is currently evaluating the Department of Defense justification for selecting

the Crotone site. And, the House Armed Services Subcommittee on Military Installations and Facilities has recommended against further U.S. spending at Crotone.

My amendment would halt this unnecessary spending.

The Crotone, Italy, base has been proposed to support the United States Air Force's 401st Tactical Fighter Wing which Spain is forcing the United States to remove from Torrejon Air Base, Spain. Total costs associated with the relocation are estimated to exceed $700 million. The U.S. share of the North Atlantic Treaty Organization [NATO] costs, together with other related costs, are currently estimated to be $320.3 million.

□ 1810

The decision to move the 401st wing to southern Italy was made almost 2 years ago. Remarkable changes have occurred in the international military threat situation since that time. These have created the opportunity to make major changes in the force structure and base realignment in Europe and to reevaluate alternatives to building a new base at Crotone.

While the Defense Department has not come up with major base realignments in Europe, it is aggressively pursuing closure and realignments of domestic military bases. This does not make good sense in light of changing conditions.

On several occasions, witnesses appeared before the Subcommittee on Military Construction Appropriations and said that redefining of the threat against our national security was under way at the Defense Department and in the administration and that it would probably be completed sometime in December. I believe that it is necessary to give this Congress and our Nation 1 full year to debate any recommendations from the Department of Defense that come to us in the nature of a defense strategy for Western Europe before we go headlong into spending large sums of money to build new bases in Europe at a time when the threat is questionable from our once-defined adversary, the Soviet Union.

I ask my colleagues to adopt this amendment at this time on the simple basis that, as we say in Arkansas, it is putting the cart before the horse.

Mr. LOWERY of California. Mr. Chairman, in view of the Chair's last ruling, I rise in opposition to the amendment.

AMENDMENT OFFERED BY MR. LOWERY OF CALIFORNIA TO THE AMENDMENT OFFERED BY MR. ALEXANDER

Mr. LOWERY of California. Mr. Chairman, I offer an amendment to the amendment.

Mr. ALEXANDER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Arkansas reserves a point of order on the amendment.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWERY of California to the amendment offered by Mr. ALEXANDER: In the amendment offered by the gentleman from Arkansas add at the end thereof and insert, "until the date of enactment of the National Defense Authorization Act for Fiscal Year 1991"

The CHAIRMAN. Does the gentleman from Arkansas [Mr. ALEXANDER] wish to reserve his point of order?

Mr. ALEXANDER. Mr. Chairman, may I be heard on my point of order?

The CHAIRMAN. The gentleman will state his point of order.

POINT OF ORDER

Mr. ALEXANDER. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from California [Mr. LOWERY]. I make the point of order against the amendment because it constitutes legislation on an appropriation bill, which is in violation of clause 2 of rule XXII. Unlike the amendment which was offered by the gentleman from New York prior to that time, it does attempt to legislate on an appropriation bill. The amendment is legislative in nature and is in violation of clause 2, rule XXII. Therefore, Mr. Chairman, I ask for a ruling from the Chair.

The CHAIRMAN. Does the gentleman from California [Mr. LOWERY] wish to be heard on the point of order?

Mr. LOWERY of California. I do, Mr. Chairman.

Mr. Chairman, I offer this perfecting amendment to the gentleman from Arkansas' amendment to clarify the intent of the committee. While I personally support the relocation to Crotone, I believe the Appropriations Committee has acted responsibly. The committee has not said Crotone is to go forward; it has not said Crotone is to be stopped. It has said Crotone, like all other projects in this bill, is subject to authorization. The committee has included language prohibiting any fiscal year 1991 funds and prior-year unobligated funds, including recoupments, from being obligated for construction of facilities at Crotone, Italy, until December 31, 1990.

As pointed out in the report, this action was taken to allow sufficient time for the authorization committee to determine if it will continue to approve and authorize funds for the Crotone base.

My amendment will clarify the committee's intent by making obligation of NATO infrastructure funds for Crotone subject to enactment of the 1991 authorization bill.

It was my intent to alleviate any confusion as to the intent of the committee language.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Arkansas makes a point of order that the amendment offered by the gentleman from California to the amendment offered by the gentleman from Arkansas violates clause 2 of rule XXI by legislating on a general appropriation bill. The pending paragraph contains a legislative proviso permitted to remain in the bill by wavier of points of order pursuant to House Resolution 441.

As indicated on page 21 of the committee report, the proviso restricts until December 31, 1990, the obligation of certain funds in the bill and certain unobligated balances from prior years. The pending amendment offered by the gentleman from Arkansas strikes the delimiting date from the proviso. The amendment to that amendment inserts language in lieu of the delimiting date to remove the restriction on the obligation upon the enactment of subsequent legislation.

Where legislative language is permitted to remain in a general appropriation bill by waiver of points of order, a germane amendment merely perfecting that language and not adding further legislation is in order. The amendment offered by the gentleman from California, however, is not merely perfecting. It subjects the obligation of the funds in question to a new contingency, the enactment of separate legislation, not contained in existing law.

Under the precedents discussed in Deschler's volume 8, chapter 26, section 49, such an amendment constitutes legislation.

Accordingly, the point of order is sustained.

The CHAIRMAN. Is there further discussion of the Alexander amendment?

Mr. HEFNER. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Let me say first that I hope this issue could be dealt with in the authorization bill, which I understand that it is being dealt with. And that is why, as the chairman of the Military Construction Subcommittee, I was willing to go along with the consensus of Members who agreed that to kill or not to kill the project should be addressed in the authorization process. However, I must tell you, my colleagues, that I am personally opposed to building a new base in Crotone, Italy. A year ago, this was probably a good idea and a sound decision.

But many things have happened in the past year. Dramatic changes have occurred. First of all, there is the question of the threat. We all know that the Warsaw Pact is no longer a reliable threat. There is also a question of increased warning time from a Soviet offensive.

More than that, there is also the question as to whether we might have excess capacity at existing European bases once we begin to implement force structure reductions and to close bases overseas.

Members need to understand that, like Torrejon, Spain, where the F-16's are currently based, this base at Crotone will be a peacetime base whereby the planes will be deployed to classified locations in case of military threat.

So in our estimation, there is no reason why they cannot be based at existing facilities if that capability exists.

I would say this is no different than what is happening in the States on base closures, realignments. The dramatic changes in the world and the attendant reductions in force structure in the States have necessitated the Department to reevaluate its base structure and to implement base closures. This same evaluation should also apply to overseas base.

We have not seen any major base structure changes overseas, as we have in the United States.

Now, I understand that we are waiting for the talks to go forward, but I see nothing that we can justify to our constituents that we should be, in a very big way, going ahead. And this is a very big step for us to take.

Now, let me say further that we have a base overseas that has just been completed in Comiso, Sicily, and because of the INF agreement, the base is absolutely of no value to us. We spent $230 million in support facilities for that base, and I doubt if we will ever receive $1 in residual value from this $230 million expenditure.

Now, I point this out as an example of how we hurry up to construct facilities overseas that end up being an unnecessary cost.

□ 1820

Why hurry up to build a facility in Crotone when there might be a better alternative that is based on a long-range strategic plan. Now I understand that there could be some political repercussions, economic implications to eliminating our agreement to build the base overseas, but I do not believe we should go ahead and rush into something when we believe that we are not right on this decision.

Now, we have this before Members now, and I think that it is prudent for Members, and I think that our constituents will agree, that certainly the political decisions are something we should look very closed at. We are closing base, and Members are coming forward every day for help in trying to keep bases open in the United States that have to do with jobs, the local economy, and we have spent billions of dollars in bases overseas. At this point, I do understand some of the restraints. We do not have a plan, and I understand that we are supposed to have 100 bases delivered, potential bases to be closed in Europe that hinge on the talks that are going on at this very moment.

However, it seems to me at a time when we are telling our constituents and we are telling other Members of this House and other people all across the United States, that we are strapped for dollars, and service people are living in substandard housing at our bases all over the United States, it seems to me a little bit adventurous for Members to go and commit themselves to a bold new project in Crotone, Italy, when we cannot keep the things that we feel we need to do in this bill.

This is a bill that is 13 percent below last year. It is a bill that does not go far enough to alleviate some of the substandard housing and living conditions that we are forcing our enlisted personnel to live in today. To me, this is a decision that we should support, and I think that right now we should, as one of the great writers once said, "If it were done, 'tis well it were done quickly." I think now is the time for Members to act as Macbeth did: To kill this project now once and for all.

Mr. LOWERY of California. Mr. Chairman, while I personally support the relocation to Crotone, I believe the committee has acted responsibly on this issue. We have provided ample time for the authorization process to work. As I have stated, there will be changes to this bill. We will conform to the final authorization as we always have in the past.

In addition, Mr. Chairman, this amendment is premature. At a time when overall NATO and U.S. forces face major reductions, it is crucial that the remaining forces be deployed in a balanced manner. It is important that we remember two important facts: First, the move is necessary to maintain NATO's overall deterrent and response capability in an uncertain and changing international situation; and, second, it is an unprecedented example of NATO cohesiveness and burden sharing.

The decision to move the 401st Tactical Fighter Wing from Torrejon Air Base, Spain to Crotone, Italy was not a unilateral U.S. decision and it should not be reversed unilaterally. It was a decision made by the NATO alliance as a whole. All participating NATO member governments endorsed the move and continue to support it. In addition, because of our congressional directive that U.S. funds for construction should come from the NATO Infrastructure Account, each nation is sharing the cost of the relocation through their contribution to the account. In fact, member nations of the alliance will shoulder nearly two-thirds of the costs associated with the relocation. This consensus reflects a view throughout NATO that the movement of the 401st is vital.

This entire response was one of the most vivid demonstrations of alliance burden-sharing displayed in recent years. In light of the major efforts demonstrated by the Alliance to maintain the wing in Europe, a U.S. decision to withdraw from our commitments would raise questions about the reliability of the United States as an ally, both in Europe and elsewhere. What signal will it send for future urging of burden-sharing? How do we ask our allies to help pay the costs for closing overseas bases after we renege on the best deal we have gotten regarding burden-sharing? Mr. Chairman, such a decision would weaken NATO as an institution and drive a wedge between the United States and our partners when the pressures of European political changes make cooperation absolutely essential if the alliance is to survive.

The alliance decision to support the 401st reflects the importance our allies attach to maintaining a potent military capability in the southern region. The presence of the 401st and its multirole capability is a major stabilizing element in the overall security of the Mediterranean region. Such a southern deployment would substantially bolster the air forces of our allies in the southern flank. Crotone is situated in a key location, astride main air lines-of-communications and its central forward position would eliminate the need for refueling in order to deploy to wartime bed-down locations. The importance of that role increases with successful negotiations to reduce forces in central Europe.

Also, there are solid strategic and tactical reasons to complete the relocation. Crotone's location provides flexibility in U.S. contingency operations that could not be obtained by deployments from existing locations. The permanent presence of U.S. aircraft at Crotone may be expected to have a powerful deterrent effect on unpredictable actors in the region, most notably, Colonel Qadhafi.

Mr. Chairman, this simply is not the time for a final decision to withdraw the 401st. Our decision should be made in the context of a complete analysis of the effect of base closures, relocations, realignments, and personnel reductions on the national military strategy for a changed world. Today, there is no agreement on a new strategy; indeed change continues in Eastern Europe and the Soviet Union. To undo the decision to move the 401st to Crotone, after the alliance has agreed to shoulder a major portion of the burden, without strategic consensus, would be folly.

U.S. security commitments in Europe will not evaporate overnight—

precipitous U.S. decisions to withdraw forces, in violation of existing international agreements, may foreclose cost-effect options such as dual basing, and create conditions that will weaken alliance defenses and greatly increase U.S. exercise and deployment costs.

CFE will result in fewer, and more evenly matched forces on both sides and a much reduced probability of short warning attack in NATO's central region. But if we unilaterally reduce our capabilities in NATO's flanks, without regard for negotiations and our future security requirements, the balance we seek to achieve through negotiations is undermined, our flexibility reduced, and the credibility of our commitments to the alliance brought into question.

NATO has served us well. U.S. national security and our role as a world leader are inextricably linked to our partnership in NATO. A partnership which has successfully guarded European peace for over 40 years.

Mr. Chairman, I urge by colleagues to vote "no" on this amendment—a vote for stability and the continuation of peace and prosperity in the Western World, Europe, the Mediterranean region, including North Africa and the Middle East.

Mr. OBEY. Mr. Chairman, I move to strike the last word. The base agreement in question is outdated. The agreement was reached before the momentous events in Eastern Europe in 1989, which turned the world upside down. It is yesterday's solution to yesterday's problem. This is not just a policy question. This is a financial question. We simply cannot afford to proceed, and we ought to knock out the money now.

The money that it will cost to provide this base will be more than we will save through all the base closings in the United States that we are supposed to be making in this fiscal year. In my judgment, that means that there is absolutely no sense in proceeding.

We are on the verge of deep budget cuts here at home in the budget summit. We are in agonizing discussions about what kind of tax increases, if any, ought to be approved at the summit, and in that context, to make a discussion to continue to allow the possibility for this project to go forward, in my judgment, is simply fiscally irresponsible.

□ 1830

I do not think we should be surprised that this choice is presented to us because I think that, as this base is yesterday's solution to yesterday's problem, it fits pretty much in the administration's request for foreign aid which we just disposed of about 6 weeks ago. The administration also put its foreign aid budget together before a lot of the events that made many of their requests unnecessary. The administration admitted that when they testified before us. I make no criticism. The fact is that events have moved very quickly and the administration did not have the opportunity to respond. But it seems to me that because they did not have the opportunity to respond to new events is not a reason why we should not take the opportunity to respond to new events when that opportunity is presented to us.

The Alexander amendment presents just such an opportunity. I am happy to cosponsor it with the gentleman. I congratulate him for offering it, and I simply want to say this: Europe has taken us to the cleaners for a long time. We spend almost twice as much as a percentage of our GNP as our European allies do, and there is no reason, in my judgment, to continue that practice.

We now see a rush to a unified Germany. We see Western Germany expending large amounts of money to in fact bail out Eastern Germany and bring them into the fold. We see, in my judgment, a German hope that they will be able to afford to do that because the United States will still be carrying a larger share of the NATO burden than fairness would dictate. It seems to me we should not allow them to get away with it. We ought to defend our own taxpayers, and we ought to drop this spending just as quickly as we can.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, let me say to the gentleman and to my dear friend, the gentleman from California, that I do not think we ought to be on a guilt trip here about our reluctance to support a new base and a new initiative in Italy.

I remember talking with the Minister of Defense in Germany and the Italians years ago when we had our tremendous budget deficits, just as we do now, and we bellied up—if I may use that expression—we bellied up and we made our commitment to defense. I said to one of the ministers—I will not mention his name—I said, "What happens when you have the bad years?"

He said, "When we have bad years, we don't meet our commitments to NATO."

But Uncle Sugar, the United States, year after year, in good times and bad, with high unemployment, with recessions and big deficits, made its commitments to NATO.

The gentleman from Ohio [Mr. REGULA], who was the ranking member of this subcommittee, and I have been talking about burden-sharing year after year. Only in the last Presidential cycle did burden-sharing become a real item that people talked about.

So I would not like the gentleman to leave the suggestion that we have a little bit of a guilt complex because we have some doubts about going into a new initiative with our NATO partners, because we have been staunch allies. We have made our commitments in good times and in bad times. I just wanted to point out that I do not think we should be on a guilt trip simply because we have this new request for a new initiative in Crotone.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, the gentleman indicated that we should proceed because we do not yet have new defense planning and new theoretical planning to decide what the shape of our defense strategy ought to be in the next 10 years. It seems to me that one of the best ways to require those plans to come forward is for us to stop spending money on things that we do not need. If we do not have the plans to lay out how we ought to be spending that money, we ought not provide the money. That is the quickest way we are going to get the planning that is needed.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, I talked to General Galvin this morning. He indicated there will be between 100 and 200 existing bases closed in Europe. This is the only new facility that he is requesting.

My only point to my good friend, the subcommittee chairman, is that in the past these decisions have been made jointly and funding levels established, but never to my knowledge as one country unilaterally made the decision to pull out of a project. It has been a joint NATO decision.

Mr. OBEY. Mr. Chairman, I would simply say that we cannot afford it. We ought to shut it down, and the time to do it is now.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arkansas [Mr. ALEXANDER]. It seems to me that this is one of those amendments that is easy to support sometimes from a political standpoint. It is harder to explain one's opposition, but I think the arguments are compelling against this amendment. The arguments are compelling in favor of going forward with our base in Crotone.

I think we need to start understanding the background of why we are doing this. As the gentleman from

California has pointed out, as General Galvin said, we are going to be closing 200 or more bases in Europe in the next several years. So why are we going forward with this one major capital investment, this new major NATO infrastructure investment? The answer is, of course, that this has to do with the relocation of a very tactical air wing, the 401st, from Torrejon, Spain, to Crotone, Italy. We failed to get those base negotiations in Spain renewed. We have had to seek another location for this, and this has been done with our NATO Allies.

The Washington Post referred to it as one of the most favorable NATO base deals in history. That was their editorial comment on the subject.

Is it important? Well, General Galvin believes that it is. Our commander in chief of the U.S. European Command testified in June of this year before the congressional committees, and I quote: "If there were only 2 fighter wings in Europe, I would want one of them to be based at Crotone."

So it is an important one. Clearly, if the United States is going to recognize its role in the world, if we are going to maintain a role in this world as a major leader with major world responsibilities, we cannot back out from our responsibilities once we go into them. Even as times change, we must negotiate those changes with our NATO allies. Two years ago the United States made this agreement with our NATO Allies, and our NATO Allies have lived up to their part of the agreement. There has been no suggestion on their part that they have not and there has been no suggestion that they do not want to continue to do so.

The U.S. role in this whole project amounts to about 28 percent of the funding through our contribution to the NATO infrastructure fund. In addition, our contribution to the construction of housing there, to be paid back from the payments made to individuals for housing, would bring the total of the U.S. participation to about 42 percent. That is certainly not insignificant, but this does demonstrate that this is a base that has very important significance, not just to us but to all our NATO Allies and certainly to Italy.

When we talk about saving several hundred millions of dollars, as has been suggested, we need to keep in mind that if we bring this 401st Tactical Air Wing home or put it someplace else, we are going to have to find facilities for it there. So we are not going to really save that amount of money. It is not that kind of a savings.

Is this important to us? Well, I say that it is very important. Certainly as the changes that have taken place in Eastern Europe have become more dramatic, the shift now is to look a the southern flank of NATO, and the southern flank is becoming increasingly important because of the change and the things that are happening in the Middle East as we work toward an agreement on conventional forces in Europe and as we work toward making those reductions, there will be fewer bases, but those that exist will be more important and those kinds of units, such as the 401st Tactical Wing and its role that it can play in such countries along the periphery of our southern flank of NATO, in Libya, and in the Middle East, become more and more important.

I would just conclude by saying that it seems to me that it is extremely important that we not undermine our credibility with our NATO Allies. Now is not the time to say to them that we are going to actually turn around and walk away from this project. Now is the time for us to support our allies, support NATO in this critical transition from the kind of alliance it has been for the last 40 years or more to a new alliance.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding.

Is the gentleman from Arizona familiar with the concept of dual basing where we would in this case bring the 401st back home to the United States and bed it down here on a permanent basis but deploy it on a temporary basis for training and for emergencies? Would that not make more sense than building a new base in Italy that might cost us as much as $700 million?

Mr. KOLBE. Mr. Chairman, reclaiming my time, actually it may or may not make more sense. Strategically, it probably does not make more sense. From a cost standpoint, it probably almost certainly does not make more sense. If we are going to be deploying on a rotating basis, we have certain costs that are involved with moving them in and out, and we would have significant support facilities that would have to be built anyhow.

□ 1840

So, Mr. Chairman, it probably is not going to save us those kinds of funds.

Mr. ALEXANDER. Mr. Chairman, if the gentleman would yield further, we, of course, could utilize some of the bases here at home that are already bought and paid for by the Federal taxpayers that the Defense Department is threatening to study to close for the purpose of bedding down some of the forces that we have over in Western Europe, and we could achieve that without any additional costs for permanent installations, adding only the cost for transport back and forth to the theater for training and for emergency.

Mr. Chairman, I thank the gentleman from Arizona [Mr. KOLBE] for yielding.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Arkansas [Mr. ALEXANDER].

Mr. HEFNER. Will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from North Carolina.

Mr. HEFNER. As my colleagues know, some have said that this would be unprecedented for us to back out of a commitment. However, many times we have prefinanced with the understanding that we would be reimbursed by NATO partners. We have got $135 million in outstanding recoupments from prefinancing, that we have done over the past years, and I am not bashing our NATO allies. I am just stating facts. In all those years that they did not meet their commitments, financial commitments to NATO, the money was provided up front, so I think it is a little bit wrong to say that we are backing out. We have $135 million outstanding that we cannot recoup because we provided prefinanced, and it is just a drain on the taxpayers of the United States.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from North Carolina [Mr. HEFNER]. I think he makes a very good point.

Mr. Chairman, I rise in support of the Alexander amendment. This amendment would guarantee that no United States money goes to build a brand new Air Force base in the boot of Italy. At the time of the largest peacetime reduction of United States military forces in history, why are we building a new base in Italy?

The facts behind Crotone are now well known. Spain demanded that we remove our F-16's from Torrejon, outside Madrid. Secretary Carlucci told our NATO Allies, who were none too helpful in trying to dissuade the Spanish from kicking us out, that we were going to bring the planes back to the United States and turn them over to the reserves. Our NATO Allies said they wanted the planes to remain in the southern region and persuaded Italy to offer land. A funding deal was worked out where we paid 55 percent of the cost and our NATO Allies paid 45 percent. Congress balked last year and placed a cap of $360 million on construction.

The Department of Defense has now come back with a scaled back design. Simply put, DOD did not ask our allies to pay more; rather, DOD decided to build half a base to stay within the cost cap. For example, the new plan calls for building fewer units of housing than there are assigned personnel. Where are the rest supposed to live? There is no suitable housing within 100 miles. So, once the cap expires in

1993, the Air Force will be back asking for more housing, asking for the commissary, the bowling alley, the swimming pool, and the golf course.

Times have changed. While there was still a serious Warsaw Pact threat to NATO when the Crontone deal was hatched in 1988, today there is not even a Warsaw Pact. We no longer need an airbase in the southern region to deter Soviet aggression, because there is little evidence of Soviet aggression in the southern region or anywhere else in Europe.

Crotone was supposed to be a peacetime base. The planes were supposed to forward deploy for exercises to bases in northern Italy and Turkey. Today, there are no interesting targets left within the unrefueled range of an F-16 flying from northern Italy. And, if these planes are to forward deploy for short-term exercises, why not base them in the United States, under a dual basing concept?

There is another problem. Even if Congress fully blessed Crotone, it would take 5 or 6 years to complete the base. Under our new base rights agreement with Spain, we must be out of Torrejon on May 9, 1992. So, the F-16's now at Torrejon will be homeless for 3 or 4 years. The Air Force is working on an interim basing plan. Under current drafts of the plan, most of the planes would be based in the United States. Well, if this scheme is good enough for interim basing, why isn't it good enough for permanent basing? We could save all the construction money.

Some in the administration say, in a whisper, that having a base in Crotone would allow us to strike Libya. Has anyone asked NATO or the Italians? Of course not. We know their answer. The Italians have an oil pipeline from Libya. Virtually all NATO countries were unwilling to let us launch our last strike from Italy. And, as their actions over the last decade show, they do not want to take as tough a line in the Middle East as we do. So, I don't put a lot of stock in Crotone as a base from which to launch operations against Libya.

Secretary Cheney proposed 34 base closures in January and is likely to propose dozens more over the next few months. Nearly all of these closures are proposed for the United States. What are you going to say in your district when a constituent asks you, "Why did you vote to build a new base in Italy at the same time that the Defense Department is closing Camp Swampy right here?" Or, when another constituent wonders, "Are jobs in Calabria more important to you than jobs right here?" I know what my answer is: I opposed any money for Crotone. I urge you to do the same.

The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

(By unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. ALEXANDER. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. As chairwoman of the Subcommittee on Military Installations and Facilities, what has been the recommendations of your subcommittee as to the disposition of the Crotone air base in Italy?

Mrs. SCHROEDER. Mr. Chairman, in our markup last week, our subcommittee voted 11 to 7 not to fund the moving of the planes from Torrejon to Crotone. They feel very strongly that this is not where we should go. We have had so many Members in front of us on their base closings at home. We have almost been telling them, "Put a NATO flag over it. That seems to make them pure. You'll never have your base closed," but, at the same time, building this new one and, as the Chair pointed out, we built all those new ones for INF. I believe there are four or five INF bases that we built, brand new, that we never moved into all over Europe.

I think the Americans are saying:

We've done our fair share. It was very important, and NATO's important. We're not pulling out of NATO. We're only doing what a lot of our NATO allies are doing. We're just scaling down, recognizing reality and bringing them back to the pre-Vietnam status.

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LOWERY of California. I object.

The CHAIRMAN. Objection is heard.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arkansas [Mr. ALEXANDER]. I am not quite sure how to go about this because, as I listened to some of the other speakers who are taking part in this debate, I am not sure that we are talking about the same thing. One preceding speaker got up here and argued very persuasively that we should not go ahead with spending for Crotone, but the committee is not recommending spending for Crotone. The committee is recommending putting a hold on spending until the decision is made by the proper committees that are looking into it.

In addition, Mr. Chairman, I would say to the preceding speaker, the gentlewoman from Colorado [Mrs. SCHROEDER], who makes a very good argument and who states her case very well that, if the facts are on her side, and she has done her work, then she will probably win in the full committee, and she will probably come to the floor with the authorizing committee saying, "We will not go ahead with Crotone," and the House will be very glad to follow the recommendations of the Committee on Armed Services unless, of course, the gentlewoman from Colorado [Mrs. SCHROEDER] does not think she can get the authorizing committee to agree.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I think, as the gentleman knows, when the full committee bill comes to the floor, there is often as many as 100 amendments. I honestly think we will win. We have whipped this very carefully, and there is a very strong number for that, but we really felt that because we have started down there, the numbers look very good, that it makes a lot of sense to do this now. The sooner, the better.

□ 1850

Mr. EDWARDS of Oklahoma. If I can reclaim my time, Mr. Chairman, I would say to the gentlewoman that that is the way the democratic—with a little "d"—system is supposed to work, with very careful, thoughtful deliberation. You go through the committee process, you bring the bill to the floor, you have a lot of amendments, you have thorough discussion after the authorizing committees have done their work.

So the gentlewoman really ought to have no complaint about what I am saying, because I am saying that I respect the gentlewoman's committee, and I respect the members of the committee, including the gentlewoman from Colorado, and that we ought to allow them to look thoroughly into this matter and then bring their recommendations to the floor.

I might also say, Mr. Chairman, that it is a mistake for us to attempt to change our commitment to NATO here on the floor on the spur of the moment in an appropriations bill, rather than through careful deliberation of the committees with the authority and the responsibility to make this decision.

This bill is not going ahead willynilly spending money on Crotone. It withholds funds for the Crotone base until December 31, which is certainly enough time, even this year the way we are operating, to allow the Congress to work its will on this issue through the authorization process.

If the Congress decides to withdraw from Crotone, no harm is done by following the committee's recommenda-

tion; but if the amendment of the gentleman from Arkansas is agreed to, then we will have limited the proper debate and discussion about the role of the base in our defense picture.

The relocation of the 401st to Crotone is an important issue from the standpoint of our national security and our ability to project U.S. power in Southern Europe and the Middle East. Last week we were confronted by threats from Iraq. If needed, Crotone puts the 401st in range of Libya without refueling.

The gentlewoman has suggested that, of course, our allies would not permit such an action to take place. I would suggest that it is the height of folly to predetermine what world situations might occur that would cause our allies to make a decision without thinking through the consequences.

Somebody said here that we need to be shrinking our defense spending. We are shrinking our defense spending. It is not just the British who are reducing their defense budget. We are, too, and precisely at the time when you are cutting back on the amount of money that you have for defense is when you cannot afford to make snap decisions. That is when you need to carefully consider where every dollar can do the most good.

That is why the committee recommends a hold on these funds until a proper decision can be made.

I also want to say this, Mr. Chairman. I address myself to the chairman, the gentleman from North Carolina. During the time that I was privileged to serve as the ranking member of this subcommittee, the gentleman from North Carolina and I worked very closely together trying to require of our allies a greater percentage of burden sharing.

Well, the Crotone Air Base is being largely paid for by the NATO infrastructure fund. Our contribution to that effort is about 28 percent.

This had been a very successful burden-sharing project. I would say the gentleman from North Carolina ought to take some credit for that. It has been successful, and when our allies comply with our request for increased participation, as they have on Crotone, that needs to be fully considered, because if it is not, the next time we ask them to participate, they are going to tell us to get lost.

The committee's recommendation is that Crotone stand on its own two feet, that the Pentagon justify to the Congress the need for this base.

I would say, Mr. Chairman, that what we should do is wait and hear from the Armed Services Committee and then make our decision. That is the only responsible way to proceed.

Mr. BRYANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to congratulate the gentleman from Arkansas [Mr. ALEXANDER] for bringing this amendment forward, and the gentleman from North Carolina [Mr. HEFNER] for being willing to advocate it as well.

I think the amendment is the tip of the iceberg pointing to a much broader consideration of what this Congress must now come to grips with, and that is the fact that in 1990, 45 years after World War II, we are still spending $170 billion a year defending Europe and Japan and other parts of the world as well, which interestingly enough, is approximately the size of President Bush's recently recalculated estimate of the deficit that we are facing this year.

The plain truth is that we no longer have the money to pay the costs of defending everybody else in the world, and the fact of the matter is we no longer have the obligation, either.

These countries have become prosperous. They have become democratic. They have become free. Indeed, they have become rich while we paid the cost of their defense. To continue to advocate that course of action today, in my opinion, is a very expensive form of nostalgia. It is something we must come to grips with in the context of reality and we must do so immediately, because what we are doing today is borrowing money, borrowing money and then giving it to the Europeans, the Japanese, the Koreans, and others in the form of a subsidy of their defense. They use that money to subsidize their economies, to subsidize the education of their children, the health and safety of their societies, and to compete with our producers and ultimately to defeat us in that competition in the world marketplace and then to buy American farms and ranches, banks, manufacturing companies, and real estate.

It is time, Mr. Chairman, for this subsidy to end. If the Europeans need our military presence in Europe, they must pay the cost of it, not the American people.

I think it is fair to ask what interest do the American people have in building another base in Italy under the circumstances that have changed so dramatically in Europe, and also to ask how can we justify continuing to close American bases which protect the continental United States and our territories and possessions, while at the same time we are building U.S. bases in a foreign country.

Well, the answer is that we cannot justify that. It is time that we recognized it. It is time that we supported the Alexander amendment and came to grips with the new reality in the world.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. BRYANT. I am happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the gentleman yielding to me.

One of the reasons that we are unable to save money on defense spending is that with all of the difficulty that we went through to achieve the 1989 base closing savings of $381.8 million, we are about to turn around and spend up to $360 million to build a new base in a foreign country that is not needed, and that does not include any of the housing, the infrastructure, the water, the sewers, the railroad tracks, the highways, and all the other facilities that add to that rising cost once the military base is established.

Mr. BRYANT. Reclaiming my time, Mr. Chairman, I thank the gentleman for his additional comments.

I would just add that if we need to find a location for this group of fighters, that location ought to be in the United States protecting the American people who pay for those fighters in the first place.

Mr. HEFNER. Mr. Chairman, we are trying to move ahead as fast as possible. There are Members who have commitments to go other places. We want to finish this bill.

Could we reach some kind of an agreement? I know everybody is very concerned about it and wants to be heard.

How many more speakers do we have?

Mr. LOWERY of California. To my knowledge, Mr. Chairman, we have four additional speakers on this side. there may be more.

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LOWERY of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LOWERY of California. Let us settle on 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. HEFNER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MARTIN of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, last year when we debated the authorization bill for 1990, it was this Member who offered an amendment to limit the total cost of the relocation of the 401st Tactical Fighter Wing from Spain to Italy. I

think as most of you remember, I was very upset, and I felt the United States was paying a disproportionate share of this move.

We had worked out an agreement with all our NATO Allies, as this was their No. 1 priority. As the membership will recall, when we went to conference, this was a very hot item. We put on that cap that the gentleman from Arkansas [Mr. ALEXANDER] and the gentlewoman from Colorado [Mrs. SCHROEDER] talked about of $360 million and required our negotiators to go back and renegotiate.

As a matter of fact, I want to read from the language that was in the conference report:

> The conferees recognize that under this agreement the Administration will probably have to reopen negotiations with our NATO partners so that our allies will pay a larger portion of the cost involved in the relocation.

□ 1900

Our 15 partners in NATO agreed that there was going to have to be a change in the manner in which this was paid for, and we are paying a substantially lower share than we had even agreed to last year when the Congress reached the agreement with my support. Mr. Chairman, but now, we are going back again and we are doing something a little bit different.

I heard a Member of Congress speak on the floor not too long ago saying that we are going to build a U.S. base in a foreign country. Mr. Chairman, this is not a U.S. base. This is a NATO base, and what we are saying is that as we pay and the other 15 countries pay into the NATO infrastructure fund, that this Congress has something new, a better idea.

We have a line-item veto. We do not even allow the President of the United States to have that. The NATO organization, for all of these years with its various members who have entered or who have left NATO, have paid into the infrastructure, and those 16 countries have set up the priority as to what they think ought to be the priorities of NATO of which we are but 1 of 16 countries.

Last year I received phone calls from, yes, General Galvin and Ambassador Taft and just about everybody else who had a phone and any access to NATO, and we stood our ground and we saved a lot of taxpayer money. But now I hear people stand on the floor and say how many taxpayers' dollars are going to be saved if this line-item veto by the Congress superimposing its will on the 16 countries of NATO, is passed.

You ask the question about how much the U.S. taxpayer is going to save if this is passed, and the answer to that is easy to remember, because it is zero. Of those moneys that we pay into the infrastructure fund, those other projects on the priority list with NATO are going to be built rather than this project. Is that saving the taxpayer's money? I do not think so.

But the thing that bothers me most about this, Mr. Chairman, yes, we had our way; yes, we had a cap; yes, we had them go back and renegotiate. But the thing that bothers me most is in this ensuing year the NATO members have met again and again and again, and I have talked to General Galvin about it again and again and again, and he says that remains the No. 1 priority for NATO as far as their infrastructure funds.

Some people think that maybe this base is being built out in the middle of nowhere. It is built on the southern flank of NATO, and for those people who have had the opportunity to come up and take a look at the map, they can find that area of the Middle East, Libya and Syria and some of those other people who seem to make the front page of the Washington Post with great regularity are also in the area.

I would ask that if you are going to vote for this amendment, and I hope you would not, that at least people would explain that this is not a U.S. base. This is a NATO base, and that we are still members of NATO, and while I cannot see into the future like some of the other Members of Congress who feel they know precisely what the world is going to look like in another 10 or 15 years, but I cannot.

It is my judgment that in the next 10 or 15 years, while we do not face the same threat we faced in years past, NATO is going to be important to world peace and security for all of us.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARTIN] has expired.

(At the request of Mr. HEFNER and by unanimous consent, Mr. MARTIN of New York was allowed to proceed for 1 additional minute.)

Mr. HEFNER. Will the gentleman yield?

Mr. MARTIN of New York. I am happy to yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, in the event we had a conflict in the Middle East with Syria, Iraq, or Libya, would we have any assurance whatsoever that we would be able to use this base for operation out of Crotone?

Mr. MARTIN of New York. Reclaiming my time, in this gentleman's opinion, no, absolutely no assurances. There are very few assurances out there, I say to the gentleman from North Carolina [Mr. HEFNER], about anything, but I do know this, that if we do not have a base with access to those areas, we are not even going to be able to ask for its use.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of New York. I am happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. As a matter of curiosity, and I have not asked this question before, the United States, with its NATO Allies, has been building up in Western Europe since about 1948. Does the gentleman know why it has taken over 40 years for the NATO Allies with the United States to decide on this new base in Italy?

Mr. MARTIN of New York. Reclaiming my time, I would like to say to the gentleman, and I have heard a number of references, here today that somehow in a kind fashion demeans NATO, but I think it has worked very well. I say to the gentleman from Arkansas, and the fact that circumstances change might very well mean the requirements for bases such as this change from time to time. Certainly, we would still be in Spain if they wanted us there, quite frankly, and NATO would have felt no need to move.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to try to take the whole 5 minutes, but it just struck me in listening to the proponents of the amendment that all of a sudden many of those same proponents have found fiscal responsibility.

Most of these, excluding the chairman, the distinguished chairman, of our subcommittee, most of these have voted time and time again this whole year for increased spending in all kinds of programs including spending on appropriations bills. So the arguments here about fiscal responsibility to me are specious.

What we ought to be discussing here is the threat, but also some of the figures that have been misused, misstated and thrown around, and before we vote on this, I think we need to set the figures of the amount of money that will be spent on this base straight.

The gentleman from Arkansas has said that we are going to spend $700 million on this base. We are not going to spend $700 million on this base. NATO is going to spend $700 million, and of NATO, we are a participant, and we are going to only spend 28 percent, some $162 million on the capital expenditures on building the operational facilities.

The gentleman from Arkansas throws in the housing costs. We are going to pay housing costs that we would pay to these personnel no matter where they are, because the way it is set up is that NATO would loan us the money to build the housing. We pay back the loans through our housing allowances, so that is not

a new cost to the taxpayers of America.

The gentleman just said not too long ago that now we are going to spend $360 million. The $360 million is the statutory cap that we have put on this construction money, and of that our Defense Department says that we can come under that by $40 million, and the total expenses, including housing allowances that we would be spending anyway, are some $320 million.

Mr. Chairman, it is not a matter of the United States going over to Crotone, Italy, and building a new base. It is NATO that is building the new base. We are just going to station the 401st Wing at that base.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I say that I have served on Defense appropriations since 1943, and on military construction for a big part of that time.

I am not opposed to NATO, but I think we ought to put it in its place.

Mr. Chairman, I have visited NATO countries any number of times. Most people forget that NATO was headquartered in France, but as soon as we built pipelines to the coast, they ran us off. Most folks do not know that the location of NATO headquarters was then accepted in Belgium only after we signed an agreement to pay unemployment compensation if we ever relocated it. The times I have visited there, they avoid answering a question I usually ask that if we ever had trouble whether the NATO troops would go where NATO directed them or whether they would go home and take care of their own people.

Insofar as this base is concerned, I have been there. They would just love to have this base in their area because of the impact on their economy as a result of what our people spend. Our Ambassador to Italy said that the NATO people will do anything you ask them to do, and I said, "How about fighting?" He said, "I don't know about that." That is what you have got. You do not know which way they will go. That was our Ambassador in Rome who said, "They will do anything in the world you ask them to," and I said, "How about fighting," and he said, "I don't know about that."

This base is just one of many of our overseas facilities that would not be in our hands 24 hours if we were attacked by the Soviets.

□ 1910

BILL HEFNER is one of the ablest Members of Congress. He is a longtime member of the Defense Subcommittee and chairman of the Military Construction Subcommittee. I know of no one better able to meet the problems we face in cutting back military spending, which has become necessary, while at the same time being sure we are protecting real defense.

His support of this bill means we will strengthen our National Guard and Reserves, where its members can contribute to the economy during the week and train on the weekend.

The Members of this House trust his judgment.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arkansas [Mr. ALEXANDER].

The fiscal year 1990 Defense Authorization Act contained an important provision to relocate the 401st Tactical Fighter Wing from Torrejon, Spain, to Crotone, Italy. This decision was the result of base negotiations in which the Spanish Government decided that our 72 F-16's must be removed from Spanish soil.

The Italian Government subsequently provided three possible bases for the relocation of the 401st Tactical Fighter Wing. Of the three possible bases, Crotone was found to be the most advantageous.

In the Defense Authorization Act, the Congress limited U.S. expenditures to $360 million for the costs of this air wing relocation. Additionally, the Department of Defense recently reported to Congress that it will be able to complete the move at $40 million under the $360 million cap. Furthermore, this move stands as a positive example of NATO burden sharing. The United States will be responsible for a 28-percent share of the $700 million cost.

However, aside from the positive financial considerations of this move, the 401st Tactical Fighter Wing is a key to providing deterrence in the southern region.

As the military threat in the world shifts away from central Europe and increasingly toward the Mediterranean and Middle East, it is vital that NATO continue to maintain and develop a strong presence in the region.

With the deployment of the 72 F-16's at Crotone, NATO's presence in the southern region would represent a powerful balancing and deterring force.

Accordingly, Mr. Chairman, I urge my colleagues to defeat the Alexander amendment and support stability in the Mediterranean.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me just say that all of the turbulence that is occurring in Europe now and the realignment is something that we are watching very carefully. One element has been very important throughout all of the events of the last several years, and that has been a strong NATO and a NATO that has relied on consistent American policy.

There is a real problem when this House of Representatives tries to send a message that may be misinterpreted on the other side of the water. We have to come out of the reunification of the Germanys with a strong NATO. We came out of the removal of the SS-20's versus the Pershings and GLCM's with a strong NATO. A strong NATO is necessary for a stable Europe. This absolutely undermines that concept, and undermines the reliance that our Western allies have on us.

Mr. Chairman, I think we should defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. ALEXANDER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 20, insert after line 5 the following new section:

SEC. 130. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 2 percent.

Mr. PENNY. Mr. Chairman, this bill appropriates a total of $8.3 billion in new budget authority for fiscal year 1991. That includes $4.8 billion for new construction. I repeat, new construction.

The bill is actually $70 million above current year funding, because the committee does not credit $253 million in rescissions from the supplemental appropriations to 1990. In other words, we have acted as if there was no rescission in this part of the budget, and if you account for that rescission, we are actually $70 million above the amounts honestly spent in 1990.

It appropriates $55 million for facilities for the B-2, even though the future of that plane is clearly in doubt. Additionally, the committee bill provides funding for over 100 unrequested projects. Mr. Chairman, for the RECORD I include a list of those projects:

MILITARY CONSTRUCTION APPROPRIATIONS, FISCAL YEAR 1991: UNREQUESTED PROJECTS

1. Child Development Center, Miramar Naval Air Station, California—$2.3 million.

2. Tactical Aircrew Combat Training facility, Miramar Naval Air Station, California—$1.25 million.

3. Computer Center, Monterey Fleet Numerical Oceanography Center, California—$6.01 million.

4. Child Development Center, San Diego Naval Submarine Base, California—$4.13 million.

5. Combat Crew Training School, Castle AFB, California—$3.0 million.

6. Standardization Evaluation Center, Castle AFB, California—$2.2 million.

7. Strategic Command Center, Castle AFB, California—$5.0 million.
8. Corrosion Control Facility, Edwards AFB, California—$7.0 million.
9. Barracks, Camp San Luis Obispo, California—$9.14 million.
10. Child Development Center, Lowry AFB, Colorado—$4.55 million.
11. Consolidated Education and Training Facility, Air Force Academy, Colorado Springs, Colorado—$15.0 million.
12. Armory, Army National Guard, Watkins, Colorado—$2.441 million.
13. Operations and Training facility, Air National Guard, Buckley, Colorado—$4.15 million.
14. Fire Station, Air National Guard, Buckley, Colorado—$1.8 million.
15. Training facilities, Camp O' Neill, Army National Guard, Connecticut—$2.9 million.
16. Composite Support Facility, Air National Guard, East Granby, Connecticut—$1.9 million.
17. Aviation Fuel Facility, Camp Blanding, Army National Guard, Florida—$275,000.
18. Light Anti-Armor Weapon Range, Camp Blanding, Florida—$550,000.
19. Mout Assault Course Range, Camp Blanding, Florida—$954,000.
20. Mout Range, Camp Blandin, Florida—$2.6 million.
21. Armory and Aviation Support Facility, Lakeland, Florida—$5.153 million.
22. Weekend Training Site, Vero Beach, Florida—$5.3 million.
23. Civil Engineering Maintenance Facility, Air National Guard, Camp Blanding, Florida—$1.5 million.
24. Civil Engineering Heavy Equipment Shop, Camp Blanding, Florida— $1.0 million.
25. Vehicle Maintenance Complex, Camp Blanding, Florida—$1.3 million.
26. Add/Alter Vehicle Maintenance Facility, Jacksonville Air National Guard, Florida—$700,000
27. Elementary School Replacement, Fort Benning, Georgia—$7.9 million.
28. Community Impact assistance, Kings Bay Naval Sub Base, Georgia—$10.8 million.
29. Dorm Renovation, Grissom AFB, Indiana—$2.5 million.
30. Dormitory, McConnell AFB, Kansas—$9.75 million.
31. Consolidated Education Center, McConnell AFB, Kansas—$3.6 million.
32. Aircraft Hangar, Naval Air Station, New Orleans, Louisiana—$13.1 million.
33. Chemistry Lab, Indian Head Naval Air Test Center, Maryland—$6.0 million.
34. Child Development Center Annex, Andrews AFB, Maryland—$3.85 million.
35. Armory, Army National Guard, Fort Ritchie, Maryland—$1.8 million.
36. Armory, Laurel, Maryland—$4.959 million.
37. Jet Fuel Storage Complex, Air National Guard, Westfield, Massachusetts—$3.0 million.
38. Maintenance facility addition, Camp Ripley, Minnesota—$6.108 million.
39. Composite Support Facility, Minneapolis/St. Paul IAP, Minnesota—$4.35 million.
40. Dining Hall and Medical Training facility, Minneapolis/St. Paul IAP, Minnesota—$3.7 million.
41. Flight Training Simulator, Minneapolis/St. Paul IAP, Minnesota—$3.0 million.
42. Bachelor Officer Quarters Upgrade, Columbus AFB, Mississippi—$2.7 million.
43. Tank Tables Nine and Eleven, Army National Guard, Camp McCain, Mississippi—$600,000.
44. Troop Issue Subsistence Activity, Camp McCain, Mississippi—$780,000.
45. Ammunition Supply Point, Camp McCain, Mississippi—$500,000.
46. Bachelor Officer Quarters, Army National Guard, Camp Shelby, Mississippi—$450,000.
47. Ammunition Supply Point, Camp Shelby, Mississippi—$280,000.
48. Add/Alter Armory, Army National Guard, Durant, Mississippi—$780,000.
49. Add/Alter Armory, Army National Guard, Fulton, Mississippi—$535,000.
50. Add/Alter Armory, Army National Guard, Starkville, Mississippi—$975,000.
51. Base Civil Engineering Facility, Air National Guard, Allen C. Thompson Field, Jackson, Mississippi—$1.6 million.
52. Medical Training and Security Police facility, Thompson Field, Jackson, Mississippi—$1.5 million.
53. Add/Alter Base Engineer Maintenance Facility, Air National Guard, Gulfport, Mississippi—$490,000.
54. Communications Electronics Training Facility, Gulfport, Mississippi—$2.3 million.
55. Upgrade Utility Systems, Holloman AFB Realignment, New Mexico—$11.0 million.
56. Add/Alter Integrated Maintenance Facility, Griffiss AFB, New York—$2.3 million.
57. Munitions Storage Igloos, Griffiss AFB, New York—$2.2 million.
58. Aeromedical Evacuation Facility, Air National Guard, Scotia, NY—$1.35 million.
59. Land Acquisition, Fort Bragg, North Carolina—$720,000.
60. Addition to Hdqts. Facility, Fort Bragg, North Carolina—$4.95 million.
61. Aviation Museum, Cherry Point Marine Corps Air Station, North Carolina—$2.0 million.
62. Armory, Army National Guard, Goldsboro, North Carolina—$1.663 million.
63. Organizational Maintenance Shop, Goldsboro, North Carolina—$394,000.
64. Composite Aircraft Maintenance Hangar, Air National Guard, Charlotte, North Carolina—$12.0 million.
65. Extend Runway, Air National Guard, Albemarle, North Carolina—$1.85 million.
66. Land Acquisition, Army National Guard, Muskingum County, Ohio—$6.0 million.
67. Dining Hall/Medical Training Facility, Toledo Express Airport, Ohio—$3.1 million.
68. Jet Fuel Storage Complex, Toledo Express Airport, Ohio—$3.55 million.
69. Underground Fuel Storage, Toledo Express Airport, Ohio—$1.5 million.
70. Army Reserve Center/Maintenance Facility, Toledo, Ohio—$7.3 million.
71. Land Acquisition, Tinker AFB, Oklahoma—$1.85 million.
72. Barracks, Army National Guard, Camp Gruber, Oklahoma—$3.332 million.
73. Water Treatment Plant, Camp Gruber, Oklahoma—$1.204 million.
74. Armory, Army National Guard, Pendleton, Oregon—$1.542 million.
75. Military Education Facility, Army National Guard, Monmouth, Oregon—$4.06 million.
76. Armory, Army National Guard, Butler, Pennsylvania—$2.223 million.
77. Combined Support Maintenance Shop, Army National Guard, Fort Indiantown Gap, Penn.—$2.79 million.
78. Armory, Army National Guard, Norristown, Penn.—$3.028 million.
79. Access Road, Air National Guard, Greater Pittsburgh IAP, Penn.—$5.0 million.
80. Child Development Center, Newport, Rhode Island—$1.0 million.
81. Integrated Propulsion/Acoustic Facility, Newport, Rhode Island—$13.7 million.
82. Barracks Modernization, Ft. Bliss, Texas—$20.0 million.
83. Armory, Army National Guard, Camp Bowie, Texas—$2.142 million.
84. Land Acquisition, Camp Bowie, Texas—$1.901 million.
85. Armory, Army National Guard, Camp Mabry, Texas—$6.284 million.
86. Upgrade and Expand Sewer System, Army National Guard, Camp Swift, Texas—$600,000.
87. Mobilization and Training Equipment Site Expansion, Army National Guard, North Ft. Hood, Texas—$14.369 million.
88. Add/Alter Armory, Army National Guard, Waco, Texas—$2.162 million.
89. Expand Organizational Maintenance Shop, Waco, Texas—$726,000.
90. Armory, Army National Guard, Wylie, Texas—$2.227 million.
91. Ammunition Demilitarization Facility, Tooele Army Depot, Utah—$40.4 million.
92. Cryofracture Demilitarization Fac Site Preparation, Tooele Army Depot, Utah—$10.0 million.
93. Automated Tire Storage Facility, Hill AFB, Utah—$5.0 million.
94. Electrical Upgrade, Hill AFB, Utah—$407,000.
95. ICBM Non-Destructive Inspection Bunker, Hill AFB, Utah—$2.8 million.
96. Missile Maintenance Shop, Hill AFB, Utah—$2.35 million.
97. Temporary Lodging Facility, Defense Depot, Ogden, Utah—$1.1 million.
98. Dining/Medical Training Facility, Air National Guard, West Jordan, Utah—$3.4 million.
99. Ship Services Support Facility, Norfork Naval Shipyard, Virginia—$14.6 million.
100. Armory, Army National Guard, Emporia, Virginia—$1.7 million.
101. Land Acquisition, Puget Sound Naval Shipyard, Washington—$20.0 million.
102. Watercraft Support and Training Complex, Army National Guard, Tacoma, Washington—$2.863 million.
103. Armory, Army National Guard, Madison, Wisconsin—$7.372 million.
104. Add/Alter Armory, Army National Guard, Waukesha, Wisconsin—$1.341 million.
105. Maintenance Hangar, Air National Guard, Mitchell Field, Milwaukee, Wisconsin—$4.7 million.

Mr. Chairman, by funding new projects, the committee overturns the Defense Department's decision to place a moratorium on military construction until such time as the Congress and the administration determine which projects are no longer required. Many of the projects funded in this bill I contend will not be needed once that study is complete.

Mr. Chairman, the amendment would reduce each account within the bill by 2 percent. That would result in approximately $166 million in budget savings.

I understand this bill does not include a big increase over last year's spending level. If you do not account for the rescission, it can be argued that we are spending less than we originally intended to spend in fiscal year 1990. I respect the work of the

chairman and members on the subcommittee for their efforts to stay within the allocation given to them, which is a very tight allocation when compared to other appropriations measures.

But in total, spending is still spending. These projects were given a lower priority by the House when we adopted the House budget resolution. If we are to cut by 2 percent those bills which were given a higher priority and higher spending levels, then in a relative sense it also stands to reason that those with the lower priority should be trimmed by that same 2 percent, with no exceptions.

Mr. Chairman, I do agree with some of the new emphasis in this bill on guard and reserve funding, but again by and large we are talking about new construction, and if we cannot trim construction budgets at the Federal level by 2 percent, I do not know which part of the Federal budget we can trim.

I would urge adoption of the amendment.

Mr. HEFNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I may have the attention of the Members, we have worked very hard on this bill. This is probably the only appropriations bill we are going to have a chance to vote on this year that is going to be under the request of the President. It is going to be 13 percent lower than last year, and that is real dollars.

The gentleman can argue that it is $70 million over last year. We have $500 million more in this bill for base closure than last year. If one wants to go against base closure, we have $500 million more than we had last year in base closures.

If one wants to take that out, we would be far under. But we are not over our allocation, we are not over last year's appropriation level and all the new starts are for family housing, day care centers, projects that have been ignored for many years, and we have a backlog for all of our bases in the United States that go for 50 years or more.

This may be the only appropriations bill that we are going to have this year that is under the request of the President, that is less than last year's appropriation level. In all due respect to the gentleman and also on this 2-percent across-the-board cut, this bill is lower than it was last year, it merits Members' support, and I ask a "no" vote on the gentleman's 2-percent cut across the board.

Mr. LOWERY of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support to the gentleman's amendment.

This committee has done its job and has been responsible.

In fact, the Director of OMB sent a letter to us urging the committee to restore funding to the requested level.

Mr. Chairman, I am not saying military construction should not take its share—it has. Over the past 7 years we have reduced this bill by close to $10 billion from the President's request. We have done our share.

This bill does not have the constituency expensive weapon systems have—our constituency is the soldiers, sailors, airmen, marines, and their families—that is what this bill is about: Providing for their working environment; their housing; their hospitals and clinics; and their child care centers.

Mr. Chairman, we are going to see drastic reductions in defense spending in the coming years. As we find ourselves with fewer resources and fewer personnel we are going to have to provide bases that are maintained in top working order and personnel must be adequately housed.

I would like to ask the author of the amendment if he believes our soldiers, sailors, airmen, and marines are overhoused, because a total of $3.3 billion, or 40 percent of this bill, goes toward family housing.

Does the gentleman support the base closure initiatives started last year? Because you are cutting very needed funds to implement those recommendations.

Does the gentleman not believe the members of the Armed Forces deserve to have updated hospitals and clinics? His amendment would inhibit the ability to provide these needed facilities.

Let me cite an example that I know very well. In San Diego we have a family housing shortage of over 6,000 units. We have sailors on food stamps, sailors separated from their families; sailors living in Mexico, in another country—all because they cannot afford housing—this bill provides $32 million for an additional 300 family housing units in the San Diego area. I invite the gentleman from Minnesota to come to San Diego, talk to our sailors, listen to their housing problems. I believe then he would find that while his 2-percent cut sounds small, to them it is enormous.

Every year our subcommittee holds hearings on quality of life in the military. We bring the top senior noncommissioned officer from each service to tell us whatever is on their mind. I would like to quote from Sergeant Major Gates' testimony this year:

> It is easy and safe to talk; it is easy to wave flags; it is easy to listen to the bands; and it is easy to watch the soldiers march on parade. But it is hard to jump from 400 feet onto a hot drop zone at night; it is hard to blow the barricades; and it is hard to take the barracks. It is hard and dangerous.

He goes on to say:

> If your nation's most precious resource, the men and women who volunteer to serve in your Army, are willing to lay their lives on the line to ensure our freedoms, and to protect the integrity of our United States of America, then: They deserve a quality of life for themselves and their families equal to the society that they are committed to defend.

Mr. Chairman, that is what this bill is about, and trying to deal with it. I urge my colleagues to defeat this amendment.

□ 1920

Mr. FRENZEL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the distinguished chairman of the Military Construction Subcommittee indicated that his bill was under the 1990 spending level, and indeed, it would have been had it not been for rescissions. Rescissions are always conveniently forgotten when we get down to adding the totals around here.

As a matter of fact, his bill is $70 million above the 1990 level, taking into account a $253 million rescission in the dire emergency supplemental. So it is not accurate to say that this is below 1990. It is above 1990.

The distinguished vice chairman of the subcommittee wants to know if those who promote the amendment are against military housing or military clinics. We are not. What we object to is the fact that while the President's budget was reduced by several hundreds of millions of dollars, that money was not saved. Instead it snuck back into unrequested initiatives which come from the committee and were not requested by any of the armed services.

By my count, I found 113 such projects and find them costing about $480 million that were thrown in gratuitously by the committee. They are all in somebody's district, and I am sure they are all wonderful projects. But they are add-ons. And they were not requested.

I counted 19 unrequested armories that are in this bill, and maybe there are more. There are a couple of BOQ's. There are at least five child development centers around the country put in by the committee, not at the request of the administration.

There is an aviation museum. I suppose that is a high priority item that needs to be funded now because air museums are wonderful. There are four instances of land acquisition. There is a single community impact assistance. Now I do not know why we need to assist that particular Florida community for impact, but I suppose the committee considers it very important.

There are fire stations and dormitories and dining facilities and computer centers and weekend training sites, all important I suppose, except that they are not so important that they were

requested by the Department or by the administration.

So does this bill have something to give? You bet it has something to give. It is over last year's spending, and the amendment of the gentleman from Minnesota [Mr. PENNY] should be accepted by voice vote by this committee. I urge the acceptance.

This is an area of military spending that should be no more sacrosanct than the regular military appropriation.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 239, not voting 29, as follows.

[Roll No. 281]

AYES—164

Andrews	Hefley	Ravenel
Applegate	Henry	Regula
Archer	Herger	Rhodes
Armey	Hopkins	Ridge
Baker	Houghton	Rinaldo
Ballenger	Hubbard	Ritter
Bartlett	Huckaby	Roberts
Barton	Hughes	Robinson
Bates	Hyde	Rohrabacher
Bereuter	Inhofe	Ros-Lehtinen
Bosco	Ireland	Roth
Boxer	Jacobs	Roukema
Broomfield	James	Savage
Brown (CO)	Johnson (CT)	Sawyer
Bryant	Johnston	Schaefer
Buechner	Kastenmeier	Schneider
Bunning	Kyl	Schulze
Burton	LaFalce	Schumer
Campbell (CA)	Lagomarsino	Sensenbrenner
Campbell (CO)	Leach (IA)	Sharp
Chandler	Lewis (FL)	Shaw
Clement	Lewis (GA)	Shays
Clinger	Long	Shumway
Coble	Lowey (NY)	Shuster
Collins	Lukens, Donald	Slattery
Condit	Marlenee	Slaughter (NY)
Conyers	Martin (IL)	Smith (NE)
Crane	McCandless	Smith (VT)
Dannemeyer	McCollum	Smith, Denny (OR)
Dellums	McDermott	Smith, Robert (NH)
DeWine	McMillan (NC)	Smith, Robert (OR)
Dickinson	Meyers	Solomon
Dorgan (ND)	Michel	Stangeland
Dornan (CA)	Miller (OH)	Stark
Douglas	Miller (WA)	Stearns
Dreier	Moody	Stenholm
Eckart	Moorhead	Sundquist
Emerson	Morella	Tauke
Erdreich	Morrison (WA)	Thomas (WY)
Fawell	Murphy	Towns
Fields	Nielson	Traficant
Fish	Nowak	Upton
Flake	Owens (NY)	Vander Jagt
Frenzel	Owens (UT)	Volkmer
Gallegly	Oxley	Walgren
Gekas	Packard	Walker
Gingrich	Parker	Walsh
Goss	Parris	Weber
Gradison	Pashayan	Weldon
Grandy	Paxon	Whittaker
Guarini	Payne (NJ)	Wylie
Hamilton	Pease	Yatron
Hammerschmidt	Penny	
Hancock	Petri	
Hastert	Porter	
Hayes (IL)	Pursell	

NOES—239

Ackerman	Gordon	Pallone
Alexander	Grant	Panetta
Anderson	Gray	Patterson
Annunzio	Green	Payne (VA)
Anthony	Gunderson	Pelosi
Aspin	Hall (OH)	Perkins
AuCoin	Hall (TX)	Pickett
Bateman	Hansen	Pickle
Beilenson	Harris	Poshard
Bennett	Hatcher	Price
Bentley	Hayes (LA)	Quillen
Berman	Hefner	Rahall
Bevill	Hertel	Ray
Bilbray	Hiler	Richardson
Bliley	Hoagland	Roe
Boehlert	Hochbrueckner	Rogers
Boggs	Holloway	Rose
Bonior	Hoyer	Rostenkowski
Borski	Hunter	Rowland (CT)
Boucher	Hutto	Rowland (GA)
Brennan	Jenkins	Roybal
Brooks	Johnson (SD)	Russo
Browder	Jones (GA)	Sabo
Brown (CA)	Jones (NC)	Sarpalius
Bruce	Jontz	Saxton
Bustamante	Kanjorski	Scheuer
Byron	Kennedy	Schiff
Callahan	Kennelly	Schroeder
Cardin	Kildee	Serrano
Carper	Kleczka	Sikorski
Carr	Kolbe	Sisisky
Chapman	Kolter	Skaggs
Clarke	Kostmayer	Skeen
Coleman (MO)	Lancaster	Skelton
Coleman (TX)	Leath (TX)	Slaughter (VA)
Combest	Lehman (CA)	Smith (FL)
Conte	Lehman (FL)	Smith (IA)
Cooper	Lent	Smith (NJ)
Costello	Levin (MI)	Smith (TX)
Coughlin	Levine (CA)	Snowe
Courter	Lewis (CA)	Solarz
Coyne	Lightfoot	Spence
Craig	Lipinski	Spratt
Darden	Livingston	Staggers
Davis	Lloyd	Stallings
de la Garza	Lowery (CA)	Stokes
DeLay	Luken, Thomas	Studds
Derrick	Machtley	Stump
Dicks	Manton	Swift
Dingell	Markey	Synar
Dixon	Martin (NY)	Tallon
Donnelly	Martinez	Tanner
Downey	Matsui	Tauzin
Duncan	Mavroules	Taylor
Durbin	Mazzoli	Thomas (CA)
Dwyer	McCloskey	Thomas (GA)
Dyson	McCrery	Torres
Early	McCurdy	Torricelli
Edwards (CA)	McDade	Traxler
Edwards (OK)	McGrath	Udall
Engel	McHugh	Unsoeld
English	McMillen (MD)	Valentine
Espy	McNulty	Vento
Evans	Mfume	Visclosky
Fascell	Miller (CA)	Vucanovich
Fazio	Mineta	Watkins
Flippo	Moakley	Waxman
Foglietta	Molinari	Weiss
Ford (MI)	Mollohan	Wheat
Frank	Montgomery	Whitten
Frost	Murtha	Williams
Gallo	Myers	Wilson
Gaydos	Nagle	Wise
Gejdenson	Natcher	Wolf
Geren	Neal (NC)	Wolpe
Gillmor	Oakar	Wyden
Gilman	Oberstar	Yates
Glickman	Obey	Young (AK)
Gonzalez	Olin	Young (FL)
Goodling	Ortiz	

NOT VOTING—29

Atkins	Gephardt	Morrison (CT)
Barnard	Gibbons	Mrazek
Bilirakis	Hawkins	Neal (MA)
Clay	Horton	Nelson
Cox	Kaptur	Rangel
Crockett	Kasich	Saiki
DeFazio	Lantos	Sangmeister
Dymally	Laughlin	Schuette
Feighan	Madigan	Washington
Ford (TN)	McEwen	

□ 1945

The Clerk announced the following pairs:

On this vote:

Mr. Morrison of Connecticut for, with Mr. Barnard against.

Mr. Sangmeister for, with Mr. Rangel against.

Mr. Dymally for, with Ms. Kaptur against.

Mrs. UNSOELD and Messrs. McDADE, VENTO, BERMAN, and HOLLOWAY changed their vote from "aye" to "no."

Mrs. COLLINS and Messrs. CONYERS, OWENS of New York, OWENS of Utah, STARK, SMITH of New Hampshire, McCANDLESS, TOWNS, and SAWYER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 20, insert after line 5 the following new section:

SEC. 130. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 0.8 percent.

Mr. FRENZEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, my amendment cuts eight-tenths of 1 percent across the board from this bill which is all discretionary spending, although the committee would like to have Members believe it is under last year's spending by about $183 billion.

Mr. NAGLE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Iowa.

Mr. NAGLE. I appreciate the gentleman yielding, and would like to ask how much does it cost in the CONGRESSIONAL RECORD to debate the gentleman's amendment?

Mr. FRENZEL. Mr. Chairman, I have no idea. For as long as the gentleman wishes.

Mr. NAGLE. If the gentleman will continue to yield, we did this last week with the gentleman from Pennsylvania [Mr. WALKER]. Eight-tenths of 1 percent, I forget the cost for printing a page of the CONGRESSIONAL RECORD, but I would think the gentleman from Minnesota can inform me how much it costs to debate this amendment. I ask

again, how much is it going to cost Members to debate this amendment?

Mr. FRENZEL. My guess is that Members will get the same pay whether they continue this discussion or not, and so are the rest of the Members.

This amendment, Mr. Chairman, will save, if adopted, $70 million. That may not be important to some of my friends who like to spend it by the billions or hundreds of millions, but I assure Members that I doubt their constituents will think an amendment that could save $70 million is unworthy of our consideration. I know at least that mine do not.

For that reason, I ask the House's indulgence to at least let me explain. The bill is, by the budget count, about $70 million more than the 1990 level. I have introduced amendments for each appropriation bill to restore those bills to the 1990 funding level. I believe this bill could take more. So I supported the Penny amendment. I believe it could be cut more than mine. However, I tried to keep mine consistent with the other amendments which were based on the fact that we should be spending until the summiteers bring Members a recommendation, no more.

□ 1950

Mr. Chairman, the committee did a good job in making reductions. It is more than $800 million less than the President requested. On the other hand, on its own motion, it included over 100 projects costing nearly half a billion dollars that were not included or requested by the President. For that reason, I do not think it is unreasonable to try to reduce by $70 million the total amount.

Mr. Chairman, because the House is restless and not interested, let me just say that I urge the Members to support my amendment.

Mr. HEFNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Minnesota [Mr. FRENZEL] said that the committee would lead us to believe that this was less than last year's budget. This committee does not try to mislead anybody. This is one of the most bipartisan subcommittees in this entire House.

We brought to the Members a bill that is under last year's level. It is over $800 million less than the President's request, and if we take away the $500 million that we put in for base closure above last year's level, which an overriding majority of the Members supported, if we take that away, we are well under last year's level. Let me say that this committee has worked very hard to put together a bill that is under last year's level by some 13 percent in real terms.

We support family housing, and we support day care centers. We did not go for the frivolous stuff like swimming pools and craft centers. We fund projects that help the quality of life, and as to most all the cuts, we made them overseas; we did not hit bases in this country unduly. We worked very, very hard, and we had many hours of hearings on this bill.

This may be the only appropriations bill that we are going to have a chance to vote for this year that is under last year's funding level, and I take exception to the gentleman's implying that this committee would mislead anybody. We are not trying to mislead this House. We have accommodated people who have legitimate requests, and as to those 100 new projects the gentleman is talking about, they are for the majority for the Guard and Reserve, on which we are going to have to rely heavily in this buildown.

I know that this is a very minor cut. We had one the other day that was just as frivolous, one for $19.20.

This is a good bill. It is supported by the entire subcommittee. We worked hard, and it is under last year's level.

Mr. Chairman, I urge this entire House to give us a strong vote against this cut in the military construction bill.

Mr. LOWERY of California. Mr. Chairman, I move to strike the last word, and I rise in strong opposition to this amendment.

Mr. Chairman, all of the arguments on the last amendment, the Penny amendment, apply in this instance as well. Let us defeat this amendment. As the chairman of the subcommittee has said, we are not going to get another opportunity to vote for an appropriations bill that is below last year's level.

Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to revise and extend my remarks.

Mr. Chairman, I think it is important to point out where the changes are from last year's level are: Construction is down by $777 million; family housing is up by $96 million; and the base closure account is up by $498 million.

Mr. Chairman, we have made our cuts to the construction account. While family housing shows an increase over last year, the majority of this is mandatory to pay for utilities and operations and maintenance. We have already had to cut some $142 million from the President's request.

We are paying the price of base closures. It is not cheap. These funds are necessary to implement the Commission's recommendations; without them, it will seriously compromise completion of all the required realignments by the end of fiscal year 1995.

If we use the gentleman's scenario of including those funds rescinded in the supplemental, he is correct, we are some $70 million over last year's level but, we are over last year's level because of base closures.

Let's not make very needed projects and housing pay the price of base closure. We must defeat this amendment.

Mr. FAWELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I know this is perhaps not the popular thing to do, but I think the gentleman from Minnesota [Mr. FRENZEL] has been doing a tremendous job in this body for a number of years. We will not have him around here next year. When I think of the tremendous debt that we are putting on the heads of our children and our grandchildren, I am amazed to see my friends on the other side of the aisle voting so heavily against defense cuts. I cannot understand why that should be.

I know that this committee has, as I understand it, come in with recommendations which represent a cut. We are talking here only about $70 million. I have a communication from the OMB and the Secretary of Defense indicating that there is $600 million in projects of marginal priority which the Secretary of Defense strongly opposes. I will not go over those lists, but it seems to me we should look at this carefully.

Mr. Chairman, I am serious about this. We have peace dividends here of some $600 million, and what do we do with them? They have vanished; they are gone. We are talking about construction funds, and as the gentleman from Minnesota [Mr. FRENZEL] has pointed out, perhaps these are very good programs as people see them spread across the Nation like this. But what we are doing and what we have done for the last 21 years by being unable to balance budgets is that we have removed all flexibility. We have a $280 billion cost of interest on the national debt, and what that means as a practical matter is that we have stripped ourselves of the ability to fund so many of the programs which the more liberal Members of this body have continuously and rightly pointed out we ought to be funding.

Let me refer to some programs like Head Start, chapter I, and the S&L crisis. I am sorry to be a bit bothersome about this, and obviously I am, but just think, if we did not have that $280 billion in money that we cannot spend except to pay for interest, we would not have an S&L crisis that we would not be able to handle, and we would be able to fully fund these programs about which we worry so much. What we have done is to stifle all the liberal programs because we do not know how to balance budgets and we do not know how to cut under the system we have right now. Surely, when we have an appropriation bill like this we ought to be able to cut.

Let me simply close by saying that unless we as a body, in regard to all of the appropriation bills, recognize that we have an obligation to our children and to our grandchildren to stop this senseless piling of debt on debt, we will just continue to say to the administration, "Well, it is under what you

have requested," and we will say to the Budget Committee, "It is under the 302(b) allocation and, therefore, we can't cut any more."

Mr. Chairman, we can cut and we have to cut, and maybe across the board is the only way we can do it. But on a minor cut like this, we cannot possibly say no to something like this.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will just take this time to remind all the Members that we voted to televise the proceedings of this body, and millions of people watch these proceedings, for some reason or other, all over the United States and all over the world. I just want to remind my colleagues that we are being watched all the time.

Mr. HENRY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to take this opportunity to set the record straight. We have been told that this would be the only opportunity to vote for a bill reported by the Appropriations Committee that came in below budget. I simply want to remind the Members that we do have a Department of Defense bill that will likewise come in under budget.

I would also like to point out that cumulatively thus far our increases in discretionary spending above baseline have been $28 billion. They exceed by $3 billion the $25 billion in new taxes which are being discussed by our summiteers should we in fact pass a $25 increase in taxes.

□ 2000

We still then have a net increase over baseline discretionary spending above and beyond the $25 billion in new revenues of another $3 billion.

In other words, Mr. Chairman, what we are getting is more spending, more taxes and more deficits.

I urge a yes vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 214, not voting 38, as follows:

[Roll No. 282]

AYES—180

Andrews	Bereuter	Campbell (CA)
Applegate	Bosco	Campbell (CO)
Archer	Boxer	Chandler
Armey	Brown (CO)	Clarke
Baker	Bryant	Clement
Ballenger	Buechner	Clinger
Bartlett	Bunning	Coble
Barton	Burton	Coleman (MO)
Bates	Callahan	Collins
Condit	Kyl	Rohrabacher
Courter	LaFalce	Ros-Lehtinen
Craig	Lagomarsino	Roth
Crane	Leach (IA)	Roukema
Dannemeyer	Lent	Russo
DeFazio	Lewis (GA)	Savage
Dellums	Lightfoot	Sawyer
DeWine	Long	Schaefer
Dorgan (ND)	Lowey (NY)	Schneider
Dornan (CA)	Lukens, Donald	Schroeder
Douglas	Marlenee	Schulze
Dreier	Martin (IL)	Schumer
Duncan	McCandless	Sensenbrenner
Eckart	McCollum	Sharp
Emerson	McDermott	Shaw
Erdreich	McMillan (NC)	Shays
Fawell	Meyers	Shumway
Fields	Mfume	Shuster
Fish	Miller (OH)	Slattery
Frenzel	Miller (WA)	Slaughter (NY)
Gallegly	Moody	Smith (FL)
Gekas	Moorhead	Smith (NE)
Gillmor	Morella	Smith (NJ)
Gingrich	Morrison (WA)	Smith (TX)
Goodling	Murphy	Smith (VT)
Goss	Nagle	Smith, Denny (OR)
Gradison	Nielson	Smith, Robert (NH)
Grandy	Nowak	Smith, Robert (OR)
Guarini	Oakar	Solomon
Hamilton	Owens (NY)	Stangeland
Hancock	Owens (UT)	Stearns
Hastert	Oxley	Stenholm
Hayes (IL)	Packard	Sundquist
Hefley	Parker	Tauke
Henry	Pashayan	Thomas (WY)
Herger	Paxon	Torricelli
Hoagland	Payne (NJ)	Traficant
Holloway	Pease	Udall
Hopkins	Penny	Upton
Houghton	Petri	Vander Jagt
Hubbard	Porter	Volkmer
Huckaby	Pursell	Walgren
Hughes	Rahall	Walker
Hyde	Ravenel	Walsh
Inhofe	Regula	Weber
Ireland	Rhodes	Weldon
Jacobs	Ridge	Whittaker
James	Rinaldo	Wolf
Johnson (CT)	Ritter	Yatron
Johnston	Roberts	
Kastenmeier	Robinson	
Kolbe	Rogers	

NOES—214

Ackerman	Dickinson	Hayes (LA)
Alexander	Dicks	Hefner
Anderson	Dingell	Hertel
Annunzio	Dixon	Hiler
Anthony	Donnelly	Hochbrueckner
Aspin	Downey	Hoyer
AuCoin	Durbin	Hunter
Bateman	Dwyer	Hutto
Beilenson	Dyson	Jenkins
Bennett	Early	Johnson (SD)
Bentley	Edwards (CA)	Jones (GA)
Berman	Edwards (OK)	Jones (NC)
Bilbray	Engel	Jontz
Bliley	English	Kanjorski
Boehlert	Espy	Kennedy
Boggs	Evans	Kennelly
Bonior	Fascell	Kildee
Borski	Fazio	Kleczka
Boucher	Flake	Kolter
Brennan	Flippo	Kostmayer
Brooks	Foglietta	Lancaster
Browder	Ford (MI)	Leath (TX)
Brown (CA)	Frank	Lehman (CA)
Bruce	Frost	Lehman (FL)
Bustamante	Gallo	Levin (MI)
Byron	Gaydos	Levine (CA)
Cardin	Gejdenson	Lewis (CA)
Carr	Geren	Lipinski
Chapman	Gilman	Livingston
Coleman (TX)	Glickman	Lloyd
Combest	Gonzalez	Lowery (CA)
Conyers	Gordon	Luken, Thomas
Cooper	Grant	Machtley
Costello	Gray	Manton
Coughlin	Green	Markey
Coyne	Gunderson	Martin (NY)
Darden	Hall (OH)	Martinez
Davis	Hall (TX)	Matsui
de la Garza	Hansen	Mavroules
DeLay	Harris	Mazzoli
Derrick	Hatcher	McCloskey
McCrery	Rangel	Swift
McCurdy	Ray	Synar
McDade	Richardson	Tallon
McGrath	Roe	Tanner
McHugh	Rose	Tauzin
McMillen (MD)	Rostenkowski	Taylor
McNulty	Rowland (CT)	Thomas (CA)
Miller (CA)	Rowland (GA)	Thomas (GA)
Mineta	Roybal	Torres
Moakley	Sabo	Towns
Molinari	Sarpalius	Traxler
Mollohan	Saxton	Unsoeld
Murtha	Scheuer	Valentine
Myers	Schiff	Vento
Natcher	Serrano	Visclosky
Neal (NC)	Sikorski	Vucanovich
Oberstar	Sisisky	Watkins
Obey	Skaggs	Waxman
Olin	Skeen	Weiss
Ortiz	Skelton	Wheat
Pallone	Slaughter (VA)	Whitten
Panetta	Smith (IA)	Williams
Patterson	Snowe	Wilson
Payne (VA)	Solarz	Wise
Pelosi	Spence	Wolpe
Perkins	Spratt	Wyden
Pickett	Staggers	Yates
Pickle	Stallings	Young (AK)
Poshard	Stark	Young (FL)
Price	Stokes	
Quillen	Studds	

NOT VOTING—38

Atkins	Gephardt	Montgomery
Barnard	Gibbons	Morrison (CT)
Bevill	Hammerschmidt	Mrazek
Bilirakis	Hawkins	Neal (MA)
Broomfield	Horton	Nelson
Carper	Kaptur	Parris
Clay	Kasich	Saiki
Conte	Lantos	Sangmeister
Cox	Laughlin	Schuette
Crockett	Lewis (FL)	Stump
Dymally	Madigan	Washington
Feighan	McEwen	Wylie
Ford (TN)	Michel	

□ 2017

The Clerk announced the following pairs:

On this vote:

Mr. Morrison of Connecticut for, with Mr. Barnard against.

Mr. Bilirakis for, with Ms. Kaptur against.

Mr. Dymally for, with Mr. Nelson of Florida against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 129. Such sums as may be necessary for fiscal year 1991 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

This Act may be cited as the "Military Construction Appropriations Act, 1991".

Mr. HEFNER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BROWN of California) having assumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5313) making appropriations for military

construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the "ayes" appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 312, noes 82, not voting 38, as follows:

[Roll No. 283]

AYES—312

Ackerman	Darden	Hall (OH)
Alexander	Davis	Hall (TX)
Anderson	de la Garza	Hamilton
Andrews	DeLay	Hansen
Annunzio	Derrick	Harris
Anthony	DeWine	Hatcher
Aspin	Dickinson	Hayes (LA)
AuCoin	Dicks	Hefley
Baker	Dingell	Hefner
Bateman	Dixon	Herger
Beilenson	Donnelly	Hertel
Bennett	Dorgan (ND)	Hiler
Bentley	Downey	Hoagland
Bereuter	Dreier	Hochbrueckner
Berman	Duncan	Holloway
Bilbray	Durbin	Hopkins
Bliley	Dwyer	Hoyer
Boehlert	Dyson	Huckaby
Boggs	Early	Hutto
Bonior	Edwards (CA)	Hyde
Borski	Edwards (OK)	Inhofe
Bosco	Emerson	Jacobs
Boucher	Engel	James
Brennan	English	Jenkins
Brooks	Erdreich	Johnson (SD)
Browder	Espy	Johnston
Brown (CA)	Evans	Jones (GA)
Bruce	Fascell	Jones (NC)
Bryant	Fazio	Jontz
Bustamante	Fish	Kanjorski
Byron	Flake	Kennedy
Callahan	Foglietta	Kennelly
Cardin	Ford (MI)	Kildee
Carr	Frank	Kleczka
Chandler	Frost	Kolbe
Chapman	Gallegly	Kolter
Clarke	Gallo	Kostmayer
Clement	Gaydos	LaFalce
Clinger	Gejdenson	Lagomarsino
Coble	Geren	Lancaster
Coleman (MO)	Gillmor	Leath (TX)
Coleman (TX)	Gilman	Lehman (CA)
Combest	Glickman	Lehman (FL)
Condit	Gonzalez	Lent
Cooper	Goodling	Levin (MI)
Costello	Gordon	Levine (CA)
Coughlin	Grant	Lewis (CA)
Courter	Gray	Lightfoot
Coyne	Green	Lipinski
Craig	Gunderson	Livingston
Lloyd	Payne (NJ)	Smith (VT)
Long	Payne (VA)	Smith, Robert (NH)
Lowery (CA)	Pelosi	Smith, Robert (OR)
Lowey (NY)	Perkins	Snowe
Luken, Thomas	Pickett	Solarz
Machtley	Pickle	Solomon
Manton	Porter	Spence
Markey	Poshard	Spratt
Marlenee	Price	Staggers
Martin (NY)	Quillen	Stallings
Martinez	Rahall	Stearns
Matsui	Rangel	Stenholm
Mavroules	Ravenel	Stokes
Mazzoli	Ray	Studds
McCandless	Regula	Sundquist
McCloskey	Rhodes	Swift
McCollum	Richardson	Synar
McCrery	Rinaldo	Tallon
McCurdy	Robinson	Tanner
McDade	Roe	Tauzin
McDermott	Rogers	Taylor
McGrath	Rohrabacher	Thomas (CA)
McHugh	Ros-Lehtinen	Thomas (GA)
McMillan (NC)	Rose	Thomas (WY)
McMillen (MD)	Rostenkowski	Torres
McNulty	Rowland (CT)	Torricelli
Mfume	Rowland (GA)	Traxler
Miller (CA)	Roybal	Udall
Miller (OH)	Russo	Unsoeld
Miller (WA)	Sabo	Valentine
Mineta	Sarpalius	Vander Jagt
Moakley	Sawyer	Vento
Molinari	Saxton	Visclosky
Mollohan	Schaefer	Volkmer
Moody	Scheuer	Vucanovich
Moorhead	Schiff	Walgren
Morella	Schumer	Walsh
Morrison (WA)	Serrano	Watkins
Murtha	Sharp	Waxman
Myers	Shaw	Weber
Natcher	Shays	Weiss
Neal (MA)	Shuster	Weldon
Neal (NC)	Sikorski	Wheat
Nowak	Sisisky	Williams
Oakar	Skaggs	Wilson
Oberstar	Skeen	Wise
Obey	Skelton	Wolf
Olin	Slattery	Wolpe
Ortiz	Slaughter (NY)	Yates
Panetta	Slaughter (VA)	Yatron
Parker	Smith (FL)	Young (AK)
Parris	Smith (IA)	Young (FL)
Pashayan	Smith (NE)	
Patterson	Smith (NJ)	
Paxon	Smith (TX)	

NOES—82

Applegate	Goss	Packard
Archer	Gradison	Pallone
Armey	Grandy	Pease
Ballenger	Guarini	Penny
Bartlett	Hancock	Petri
Barton	Hastert	Pursell
Bates	Hayes (IL)	Ridge
Boxer	Henry	Ritter
Brown (CO)	Houghton	Roberts
Buechner	Hubbard	Roth
Bunning	Hughes	Roukema
Burton	Hunter	Savage
Campbell (CA)	Ireland	Schneider
Campbell (CO)	Johnson (CT)	Schulze
Collins	Kastenmeier	Sensenbrenner
Conyers	Kyl	Shumway
Crane	Leach (IA)	Smith, Denny (OR)
Dannemeyer	Lewis (GA)	Stangeland
DeFazio	Lukens, Donald	Stark
Dellums	Martin (IL)	Tauke
Dornan (CA)	Meyers	Towns
Douglas	Morrison (CT)	Traficant
Eckart	Murphy	Upton
Fawell	Nagle	Walker
Fields	Nielson	Whittaker
Frenzel	Owens (NY)	Wyden
Gekas	Owens (UT)	
Gingrich	Oxley	

NOT VOTING—38

Atkins	Cox	Hammerschmidt
Barnard	Crockett	Hawkins
Bevill	Dymally	Horton
Bilirakis	Feighan	Kaptur
Broomfield	Flippo	Kasich
Carper	Ford (TN)	Lantos
Clay	Gephardt	Laughlin
Conte	Gibbons	Lewis (FL)
Madigan	Nelson	Stump
McEwen	Saiki	Washington
Michel	Sangmeister	Whitten
Montgomery	Schroeder	Wylie
Mrazek	Schuette	

□ 2037

The Clerk announced the following pairs:

On this vote:

Mr. Barnard for, with Mr. Lewis of Florida against.

Ms. Kaptur for, with Mr. Dymally against.

So the bill was passed.

The result of vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. SAIKI. Mr. Speaker, had I been present for the votes cast on the House floor, I would have cast my vote as follows:

On rollcall 279, I would have voted "aye";
On rollcall 280, I would have voted "aye";
On rollcall 281, I would have voted "nay";
On rollcall 282, I would have voted "nay";
On rollcall 283, I would have voted "aye".

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present, I would have voted "nay" on rollcalls No. 281 and No. 282. I would have voted "yea" on rollcalls No. 279, No. 280, and No. 283.

PERSONAL EXPLANATION

Mr. LEWIS of Florida. Mr. Speaker, had I not had a previous engagement with President Bush at the White House, I would have voted on H.R. 5313 as follows:

Amendments: Representative PENNY, "aye" and Representative FRENZEL, "aye."

Final passage: "nay."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). Earlier today, following unanimous consent to vacate the ordering of the yeas and nays on the Suspension Calendar, the Chair announced that he would on tomorrow put the question de novo on the 11 postponed motions to suspend the rules. The Chair wishes to clarify that announcement. Without objection, the Chair will put the question de novo at this point.

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, further proceedings on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4, rule XV, will be postponed until tomorrow, July 31, 1990.

ROUTE 66 STUDY ACT OF 1989

The SPEAKER pro tempore. Pursuant to the unanimous-consent agree-

ment of earlier today, the pending business is the question of suspending the rules and passing the bill, H.R. 3493, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3493, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REGARDING THE ACQUISITION OF LAND FOR INCLUSION IN THE KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1230, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1230, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 2040

PEMIGEWASSET RIVER STUDY ACT OF 1989

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1524.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1524.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

MERRIMACK RIVER STUDY ACT OF 1990

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1046.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1046.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GRAND CANYON PROTECTION ACT OF 1990

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4498, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 4498, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONGRESSIONAL MEDAL FOR VETERANS OF THE ATTACK ON PEARL HARBOR

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2575, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. LEHMAN] that the House suspend the rules and pass the bill, H.R. 2575, as amended.

The question was taken and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to establish a congressional commemorative medal for members of the Armed Forces who were present during the attack on Pearl Harbor on December 7, 1941, to provide for the striking of medals in commemoration of the Centennial of Yosemite National Park, and for other purposes."

A motion to reconsider was laid on the table.

TELEPHONE ADVERTISING REGULATION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2921, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 2921, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EMERGING TELECOMMUNICATIONS TECHNOLOGIES ACT OF 1990

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2965, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 2965, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL HEALTH SERVICE CORPS REVITALIZATION AMENDMENTS OF 1990

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4487, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4487, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Public Health Service Act to revise and extend the program for the National Health Service Corps, and to establish certain programs of grants to the States for improving health services in the States."

A motion to reconsider was laid on the table.

REGARDING A MEMORIAL TO GEORGE MASON IN THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3687, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr.

MANTON] that the House suspend the rules and pass the bill, H.R. 3687, as amended.

The question was taken; and (two-thirds having voted in favor thereof) ther rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Board of Regents of Gunston Hall to establish a memorial to George Mason in the District of Columbia or its environs."

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES COST SAVINGS AWARDS

The SPEAKER pro tempore. The pending is the question of suspending the rules and passing the bill, H.R. 4983, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. SIKORSKI] that the House suspend the rules and pass the bill, H.R. 4983, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CABLE TELEVISION

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, last Thursday the Energy and Commerce Committee reported out a bill addressing an issue near and dear to the hearts of many of our constituents, and that is the cable television industry.

In 1984, we voted to deregulate the industry. Since then we have seen an explosion of cable television with more homes gaining access to cable, new programming, including programs such as CNN and C-SPAN. While I believe that overall the cable industry has done a good job under deregulation, in some areas, however, we have also seen bad service and skyrocketing prices.

Mr. Speaker, I have been on the Energy and Commerce Committee 8 years. I have never seen such outstanding leadership in managing a bill as that performed by Chairman ED MARKEY. Chairman ED MARKEY produced a bipartisan piece of legislation that in a very highly charged atmosphere puts forth something that we as consumers can support.

First, the bill establishes a basic tier of service which includes over-the-air broadcasts, public government and educational channels. It empowers the FCC to go after bad-actor cable systems, and roll back prices for consumers in cable services such as ESPN, CNN, and others. The bill also includes an amendment I offered which provides access to all systems for minority owned or oriented programming.

Mr. Speaker, this is a bill produced by one of the outstanding chairmen in the Congress, the gentleman from Massachusetts [Mr. MARKEY]. He deserves enormous credit, and hopefully we will have a bill on the floor soon that simply ensures that the summer is protected. While the cable television industry on the whole has done a good job, I think we have to have some of the protections that are part of this very important Markey bill.

A summary of the bill follows:

SUMMARY OF THE CABLE TELEVISION CONSUMER PROTECTION AND COMPETITION ACT OF 1990

RATE REGULATION

Local programming—A low price for local programming and PEG (public, education and government) access programming would be guaranteed. The FCC would establish a formula, to be initiated 120 days after enactment, for setting the maximum price cable operators could charge for such a local broadcasting tier.

Bad actors—The FCC would develop criteria for identifying individual "bad actors" in the cable industry within 180 days of enactment that employs an "unreasonable or abusive" standard for rates. The FCC's "unreasonable and abusive" standard would be applied to existing rates. Rates for similarly situated cable systems offering comparable cable programming services would be among the criteria to be taken into account by the FCC. A franchising authority, or other relevant State or local government entity, would be authorized to file a complaint with the FCC. The FCC would be required to establish procedures for resolving such complaints and for reducing rates it deems unreasonable or abusive.

Premium programs—Programming for which consumers pay extra on a monthly basis ("premium" programs such as HBO, Showtime, The Movie Channel, Home Team Sports or Disney) or pay-per-view special events (such as a sporting event or a rock concert) that are paid for per performance would remain unregulated under the bill.

Misc cable services—The FCC would be required to set national standards for the cost of providing such miscellaneous cable services as remote control devices.

ACCESS TO PROGRAMMING

Access—Vertically integrated cable programming services would be prohibited by FCC regulations, to be in place 180 days after enactment, from unreasonably refusing to deal with any multichannel video system operator concerning the provision of video programming. This prohibition would sunset nine years after the date of enactment. The sunset could end earlier under certain conditions; the sunset would be lifted nationwide if the FCC determines that a "competitive national market" exists for the delivery of video programming; the sunset could end earlier at the local level if the FCC finds that the competitive market exists on the local level.

Exclusivity—An exclusive contract would be permitted as long as it does not "significantly impede competition."

Coercion—Multichannel video system operators would be prohibited by FCC rules, to be in place 1 year after enactment, from coercing programmers to enter into exclusive contracts as a condition of carriage; from requiring a financial interest in a program service as a condition of carriage; and, if necessary, from discriminating on the basis of alliliation with regard to terms and conditions of carriage.

Home satellite dish access—Any person who encrypts (scrambles) any satellite delivered programming would be required to make such programming available for private viewing by home satellite antenna users; would be required to establish reasonable and nondiscriminatory financial, technical, service and character criteria for dealing with programming distributors; and would be required to establish nondistriminary price, terms and conditions for distribution of such programming.

MUST CARRY AND CHANNEL POSITIONING

Cable operators would be required to carry public and commercial television stations pursuant to the agreements reached by the National Cable Television Association (NCTA) with the National Association of Broadcasters (NAB), the Association of Independent Television Stations (INTV) and the National Association of Public Television Stations (NAPTS).

Under this agreement, cable operators would be required to reserve about 25 percent of their total channel capacity for local broadcast signals.

CONSUMER PROTECTION AND CUSTOMER SERVICE STANDARDS

Federal standards—Minimum federal standards for customer service and consumers protection would be established by the FCC within 180 days of enactment.

Local/State authority—Local authorities would be allowed to seek enhanced customer service and consumer protection standards as (or when) they renegotiate their franchise agreements. States and francise authorities would retain the ability to enact legislation imposing more stringent consumer protection standards.

Standards—The FCC would conduct an inquiry, to be initiated 60 days after enactment, to determine whether standards for such consumer-related cable equipment as converter boxes and remote controls are necessary. In addition, the FCC would be required to study whether various cable-enabling technologies should be required in all television sets.

Technical standards

The FCC would establish minimum technical standards for the technical operation and signal quality of cable systems.

Financial reporting requirements

Annual reports—Cable operators would be required to file financial information with the FCC on an annual basis.

Home wiring

The FCC would establish rules concerning the disposition of any cable, installed by a cable operator within the premises of a subscriber, after such subscriber terminates service.

Antitrafficking

Cable operators would not be permitted to sell or transfer ownership of a cable system within 36 months following the acquisition

of initial construction of that system, subject to certain exceptions.

Leased access

Rates—The Commission would establish a formula, within 180 days of enactment, to determine the maximum rates a cable operator may charge for leased access.

Minority programming—Cable operators would be permitted to reduce their leased access obligations (a fixed percentage set by the 1984 Cable Act) on a 1 to 1 basis, up to ⅓ of required leased access capacity, by providing access for minority cable programming services.

Foreign ownership of cable systems

Foreign ownership restrictions—Current restrictions on foreign ownership that apply to broadcast and common carrier licensees would be extended to cabled, wireless cable, and DBS systems. Corporate licensees would be limited to 20 percent alien ownership of capital stock while holding companies would be limited to no more than 25 percent foreign ownership.

Exceptions—The bill would "grandfather" foreign ownership of those cable systems already in place while limiting their future growth.

Theft of cable service

Penalties for theft of cable service would be brought into conformity with those for theft of satellite signals.

Diversity, competition, and the future of the video marketplace

Diversity—The FCC would be required, within one year of enactment, to conduct a study and report to Congress on diversity and competition in the video marketplace, including whether to place limits on horizontal and vertical integration.

Competition—The FCC would be required to submit a report to Congress, the first one due 18 months after the promulgation of regulations, on the status of competition in the market for the delivery of video programming.

DBS—The FCC would be required to initiate a rulemaking proceeding, within 180 days of enactment, to impose access to broadcast time, use of facilities, and other public interest requirements on DBS systems not regulated as common carriers and to consider the implications of DBS for localism. DBS operators would be required to reserve 4-7% of channel capacity for noncommercial public service uses. A study panel would be established to consider strategies for promoting and identifying sources of funding for such use.

C-Band—The FCC would conduct an inquiry and rulemaking, 45 days after enactment, to determine whether its rules act as barriers to the use of smaller receivers by home satellite dish owners.

Exclusivity—The FCC would be required to submit to Congress a report by January 1, 1995, concerning the effects of exclusive licensing arrangements for video programming on competition between classes of multichannel video system operators.

Finances—The FCC would be required to report to Congress by January, 1994, on the financial condition, profitability, rates and performance of the cable industry.

Future—The FCC would be required to submit to Congress within a year of enactment a report to Congress including legislative recommendations, regarding the status, direction, and future of the U.S. video marketplace.

BUDGET SUMMITEERS MUST HONORABLY DISCHARGE THEIR DUTIES TO VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker many of our Nation's 27 million veterans have fought their way up some pretty difficult hills in combat. Many have risked their lives to make their way to the summits of these hills in service to their Nation. Now there is another summit that lays ahead challenging our veterans: the budget summit.

There has been a great deal of talk lately from Republicans at both ends of Pennsylvania Avenue that the key to reducing the deficit is cutting back on so-called entitlement programs. There have been threats made that if Democrats are unwilling to slash these programs dramatically, then the budget summit will end in ruin. No one has yet talked about veterans' programs, but when you read between the lines of what the White House and congressional Republicans are saying, it gives me reason for concern.

Mr. Speaker, as I have said before, the budget deficit needs to be reduced, but it should not be done on the back of veterans. However, there are those in Washington who see veterans as just another pressure group fighting for a piece of the Government pie. Some consider veterans' programs just another Federal entitlement program, living off the dole of the U.S. Treasury.

I, for one, consider such views shameful. Veterans are not just entitled to these programs, they earned them through service to their country as deferred compensation, and have paid for them with their sweat and blood.

The Nation's veterans have suffered severely during the last 10 years, particularly in the area of health care benefits. Although expenditures of veterans' programs are at their highest nominal level ever, when inflation is taken into account, Federal spending for veterans' programs have been declining steadily since 1976. Frankly, Mr. Speaker, I believe they deserve better than this.

The challenges facing our Nation's veterans are clear. There is a well-documented need for more resources at our VA medical facilities. By the turn of the century, 2 out of 3 males age 65 and older will be veterans, and the VA will need to shift its focus from acute care to extended care, and place greater emphasis on ambulatory care and health care delivered at home. These new burdens, however, will be added to the current budgetary shortfall of more than one-half billion dollars. This current shortfall results in continuing backlogs for outpatient and nursing care, closed beds, delayed equipment replacement, and loss of personnel. Medical equipment purchases, both new and replacement, are 3 years or more behind schedule. Almost 20,000 hospital beds are vacant because of inadequate resources and staff. Obviously, this is not a very good base to build upon to meet future medical challenges.

Unfortunately, VA medical programs are not the only ones to have suffered from this decade of neglect. Staff levels at VA regional offices is down 25 percent since 1982. As a result, some veterans must routinely wait months and months to receive a decision on claims for compensation because of backlogs. Service-connected disabled veterans seeking vocational rehabilitation must wait sometimes 100 days after filing an application before the VA can schedule the first job interview. In addition, some of our national cemeteries are not up to standard. The list goes on and on.

The Reagan administration, in its questionable wisdom, chose to subject veterans to a series of budgetary restrictions that have created a situation in which the mission of the Veterans Affairs Department has been jeopardized. It is important now more than ever to demonstrate congressional support for veterans and programs within the VA.

For that reason, I strongly supported the budget proposal for fiscal year 1991 presented by the House Committee on Veterans' Affairs. The committee added $729 million to the $1 billion increase recommended in this year's VA health care budget by President Bush, who, to his credit, appears to be realistically and sincerely addressing the needs of the VA. I don't know for sure what caused this change in White House policy, but I suspect that my friend and Chicago's own, the Honorable Ed Derwinski—who I had the pleasure of serving in Congress with for many, many years and who is now Secretary of Veterans' Affairs in President Bush's Cabinet—had something to do with it. Secretary Derwinski has done a fine job as the Nation's first Veterans Affairs Secretary since the VA was elevated to a Cabinet-level post, and I am sure that he is making great use of his personal access to the President.

Even with these increases, this proposed budget would not cure all the problems the VA is confronted with. This amount is no small piece of change, however we must remember that it is not going to expand VA programs but rather to merely maintain them against years of rapid inflation in the costs of medical care. Nonetheless, it is a step in the right direction.

That's why it would be so tragic and ironic if, just at the moment that the White House was beginning to take steps, however small, in the right direction, these advances were to be wiped out by the budget summit. I call upon my colleagues representing Democrats at the budget summit to resist any and all attempts to reverse the positive actions concerning veterans which occurred earlier this year.

But these are not the only issues concerning veterans which I believe Congress has an obligation to act upon before the adjournment of the 101st Congress. Mr. Speaker, there are three pieces of legislation affecting our Nation's veterans which I have cosponsored which I hope we can deliver to the White House and have signed into law this year.

The first is the Veterans Agent Orange Exposure and Vietnam Service Benefits Act, H.R. 3004. This bill would create a legal presumption that certain diseases experienced by veterans of active service in Vietnam are connected to agent orange exposure. In addition, H.R. 3004 would provide permanent benefits for Vietnam-era veterans suffering from such agent orange-related diseases as non-Hodgkin's lymphoma, soft-tissue sarcoma, melano-

ma and basal cell carcinoma, or their survivors.

Mr. Speaker, for too many years the Government has failed to act and fulfill its obligations to those who served this Nation in good faith. That is why I cosponsored this legislation to establish a presumption that certain illnesses and conditions of Vietnam veterans are related to agent orange exposure and should be compensated.

The second is H.R. 3756, which would authorize the Secretary of Veterans Affairs to conduct a 5-year pilot program in Chicago to demonstrate the advantages of furnishing care to elderly veterans in nursing homes in order to treat, reactivate, and maintain day-to-day living functions for those veterans. An increasing number of our veterans will experience the effects of advanced aging, the ravages of illness, and dependence on family caregivers, and their families will face the traumatic decision of having to commit a loved one to an institution.

For many of these veterans, commitment to institutional care may be unavoidable, but for many others, institutionalization can be avoided by restoring and maintaining physical, psychological, and social functioning. Such programs have had tested and proven success in other countries, and I am hopeful that the pilot program which H.R. 3756 authorizes will show that such programs can be beneficial in the United States as well.

The third is the Missing Service Personnel Act, H.R. 1730, which would improve current procedures for determining whether servicemen or civilians currently listed as missing in action are indeed deceased or not. The goal of this legislation is for Congress to find the most workable and acceptable solution to ending the pain and suffering of the families of those left unaccounted for.

Mr. Speaker, our Nation's veterans have honorably discharged their duties to the United States. Now Congress and the White House must honorably discharge their obligations to our Nation's veterans.

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM WINNER NIKKI LYNN WILLIAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. UNSOELD] is recognized for 5 minutes.

Mrs. UNSOELD. Mr. Speaker, Nikki Lynn Williams is a 17-year-old student from the small town of Tenino in my district. She wrote the winning essay for the State of Washington in the Voice of Democracy broadcast scriptwriting contest sponsored by the Veterans of Foreign Wars of the United States and its ladies auxiliary.

I am very proud of Nikki and her accomplishments. She demonstrates that the youth of this country do, indeed, understand how fortunate they are to live in a land of unequaled freedom and opportunity and that they are aware of the obstacles that have been overcome to reach this point in our history.

We must all strive to continue the journey Nikki describes from "a viewpoint on the mountain of the 'American Dream'." There is much work to be done if we are to create a more perfect union. Let Nikki's words serve as an inspiration and a reminder that we are here to make this country better for those who follow us.

Mr. Speaker, I include Nikki's essay for the RECORD.

WHY I AM PROUD OF AMERICA

(1989/90 VFW Voice of Democracy Scholarship Program, Washington Winner Nikki Lynn Williams)

As a young American of the 20th century, who is privileged to enjoy the freedom and liberties of this great nation, I stand at a viewpoint on the mountain of the "American Dream". My vantage point is a result of the efforts, sacrifices, and accomplishments of past generations. When I think of why I'm proud of America, I can look upwards and know that the beacon of hope and freedom is shining, but on the other hand, my thoughts travel back down this mountain and through the valleys that our forefathers traveled. It was on a distant horizon that they began their journey with a vision and hope of climbing to new heights.

When contemplating America's beginning, I envision our forefathers making many voyages across turbulent and unchartered waters in their quest for freedom and a better way of life. Because of their courage and desire to be independent, they began the trek into the unknown which landed them in a new world.

From this point they traveled through many valleys which led to the base of this mountain, the "American Dream". Many hardships were encountered, such as disappointment, hunger, hard work, cold winters, and Indian attacks, but their desire for freedom helped them to endure.

As they stood at the base of the mountain they didn't realize the magnitude of its existence, nor did they comprehend the vast heritage they would begin to create, as they started their ascent.

The first viewpoint in our forefathers climb up the mountain of the "American Dream', was the Mayflower Compact, in 1620. This was the foundation for freedoms that were to follow.

Continuing upward the next vantage point in striving for freedom was the Declaration of Independence, in 1776, which was the birth of our nation. Ascending to new heights, our Constitution of the United States was adopted in 1787, establishing the democratic government on which our nation was founded. This has served as a model for other nations seeking democracy.

Climbing onward the Emancipation Proclamation, signed in 1863, gave freedom to slaves in the confederate states, and the 13th Amendment, in 1865, abolished slavery in all states.

Continuing further, in 1870, our government guaranteed a new freedom, that of voting rights to all men regardless of race, color, or previous conditions of servitude.

Climbing to the next viewpoint of our forefathers ascent up this mountain was the 19th Amendment that gave women the right to vote in 1920. Progressing still further, the 26th Amendment guaranteed citizens eighteen years or older the right to vote in 1971. Ascending upward, the Equal Rights Amendment, giving women more rights, was passed by Congress in 1972. I am proud as I look back down this mountain, of the "American Dream: seeing the patriotic symbols that have marked the pathway for our forefathers ascent towards freedom for all Americans. These symbols of pride include our flag, our eagle, our Liberty Bell, our Star Spangled Banner, and our Statue of Liberty.

We're not at the top of the mountain yet, and we can't even see the top, but we recognize the light shining from the beacon as a symbol of freedom and hope and we, as America, are the beacon of hope to the rest of the world.

In closing I would like to leave you with this thought: after signing a major document, the Constitution of the United States, Benjamin Franklin looked at the back of the chair that Washington had occupied, on which a picture of the sun was painted and said, quote "I have . . . often and often . . . looked at that behind the President without being able to tell whether it was rising or setting: But now at length I have the happiness to know that it is a rising and not a setting sun." end quote. From my vantage point today, on the mountain of the "American Dream", that sun is still rising. I hope for you and all Americans that same vision of pride and appreciation for that rising sun is evident, and that this inspires us to continue to keep America great amongst the nations of the world, as a beacon of hope and freedom. I am proud of America, and the beacon at the top of our mountain that continues to shine, proclaiming hope, freedom, and liberty to all mankind.

□ 2050

THE SAVINGS AND LOAN FRAUD MONEY RECOVERY ACT OF 1990

The SPEAKER pro tempore (Mr. MINETA). Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, today I am introducing a bill to improve the process for recovering for the taxpayers of this country the proceeds of savings and loan fraud. It is called the "Savings and Loan Fraud Money Recovery Act of 1990."

Mr. Speaker, day after day, we hear or read of yet another savings and loan institution or a bank that has gone belly-up because of substantial fraud or insider abuse. There are currently over 500 failed financial institutions under investigation by the FBI. In addition, there are over 7,000 pending cases of bank and thrift crime, and over 21,000 criminal referrals not yet addressed. This is incredible—and more to the point—it is absolutely intolerable. The Chairman of the FDIC, William Seidman, says that 60 percent of the S&L's that failed included serious elements of fraud and insider abuse; and in many institutions outright fraud caused the downfall of these institutions.

Last June, the General Accounting Office examined 26 thrift institutions that had failied and compared them to a sample of 26 solvent savings and loan associations. In the 26 that failed, the GAO found certain activities at each insolvent institution that appeared to have various degrees of fraud and insider abuse.

Mr. Speaker, too many federally-insured institutions have failed because white-collar

criminals used these institutions as their play toys or personal piggy banks. These criminals must be brought to justice, and every legislative effort must be considered to recoup the billions of dollars these crooks have taken from the American public to satisfy their insatiable greed.

Mr. Speaker, I want to make it absolutely clear, however, that the vast majority of financial institutions executives are honest businessmen and outstanding citizens in their respective communities. It would be tragic, indeed, if we in our collective efforts to address this crisis would inadvertently besmirch the reputation of, or otherwise cause havoc in, the lives of these law-abiding citizens.

Last year, in response to the ever-growing S&L crisis, the Congress passed and the President signed into law the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA]. That act is, without question, the most far-reaching financial legislation enacted by Congress in the past half-century.

Title IX of that act, the "regulatory enforcement authority and criminal enforcements" substantially strengthened the enforcement powers of Federal regulators of depository institutions and the civil and criminal penalties for defrauding depository institutions and their depositors. It provided unprecedented powers to the agencies, reflecting congressional concern over fraud, insider abuse, and other criminal activity which have contributed to the insolvency of many savings associations and commerical banks. Mr. Speaker, title IX of FIRREA was sound and tough legislation. But, as the S&L debacle continues to grow, and the more we learn about the repugnant activities of some sleazy S&L operators, the more it becomes evident that additional hard-hitting legislation is required if we are to recoup any of the funds and assets from these crooks who have perpetrated the most outlandish financial fraud on the American taxpayer in the history of our Nation.

My bill would, among other things, substantially improve on the legislative efforts of last August. For example, it is expected that some con artists who have already driven their institutions into conservatorship may attempt to buy back from the RTC, at bargain-basement prices, the properties their institutions once held. Having inside information on such properties, they may think they have an inside track on such bids for these assets. My bill would prohibit any executive of a federally-insured depository institution for which the FDIC or the RTC has been appointed conservator or receiver, and who caused a substantial loss to that institution from purchasing any property or other assets of that institution from the FDIC or the RTC at a fire sale. The least we can do is to stop these ripoff artists who ran their institutions into the ground from using the

the RTC as their launching pad for another fast-buck, get-rich-quick scheme.

Another provision of my bill, Mr. Speaker, would give the FDIC the authority to regulate or prohibit certain forms of benefits, otherwise known as golden parachutes and indemnification payments, to certain executives whose institutions are insolvent, placed into conservatorship or receivership or are in a troubled condition as determined by the FDIC. Mr. Speaker, hearings held by the Banking Committee revealed that while the FDIC/RTC may have the power to repudiate exorbitant severance packages after an institution is placed in receivership, it is difficult to force former executives to return bonuses already paid through so-called sweetheart deals. Mr. Speaker, my bill not only would give the FDIC and RTC authority to prohibit such benefit packages, but would give the regulators clear authority to take back money already paid out under these sweetheart deals.

In addition to the foregoing, my bill would:

First, increase the maximum penalty for bank fraud and embezzlement from 20 to 40 years imprisonment;

Second, establish the concealment of assets from FDIC or RTC as a criminal offense with a fine of up to $1 million or imprisonment up to 5 years, or both;

Third, make the laundering of proceeds derived from bank and embezzlement offenses a crime under the Federal money laudering statute;

Fourth, prohibit the discharge of cetain S&L-related debts as a result of bankruptcy proceedings, and bankruptcy court protection would be denied to officers, directors and others for debts arising from a breach of fiduciary duties;

Fifth, expand the Federal forfeiture laws to seize the proceeds of fraud against the U.S. Government involving the sale of assets by the RTC; and

Sixth, give the RTC subpoena authority and clarify existing subpoena authority of the FDIC to investigate sales of assets by the RTC.

Mr. Speaker, unless we enact comprehensive crime prevention legislation, I am afraid we will continue to see the rape of our financial institutions system by crooks who would have no qualms about bringing to ruin our financial system in order to feed their insatiable greed. The taxpayers of this country do not deserve this; they demand that an end be put to this travesty and, indeed, it is our collective responsibility, hopefully, in a bipartisan way, to see that justice is done, that the taxpayers recoup as many assets as is possible, and that the crooks that perpetrated this obscene debacle be substantially fined and sent to jail.

The following is a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

Sec. 1. Short Title. This Act may be cited as the "Savings and Loan Fraud Money Recovery Act of 1990."

Sec. 2. Amendments relating to Civil Forfeiture. This section expands the Federal Government's authority in civil forfeiture cases involving the concealment from assets from the FDIC or the RTC, mail or wire fraud which affects federally-insured depository institutions, and authorizes the Attorney General to seize forfeited property involving cases of bank fraud.

Sec. 3. Increasing Bank Fraud and Embezzlement Penalties. This section would increase the maximum penalties for bank fraud and embezzlement criminal offenses from 20 to 40 years.

Sec. 4. Concealment of Assets from FDIC or RTC Established as Criminal Offense. This section establishes as a criminal offense the concealment of assets or property from the Federal Deposit Insurance Corporation or the Resolution Trust Corporation when acting in their capacity as conservator or receiver for any insured depository institution. Penalties up to $1 million or imprisonment for up to 5 years or both may be imposed.

Sec. 5. Subpoena authority for FDIC and RTC acting as Conservator or Receiver. This section clarifies the subpoena authority of the RTC and the FDIC, as conservator or receiver to assist in uncovering assets and recovering funds.

Sec. 6. RTC and FDIC Enforcement Division. This section directs the RTC and FDIC to establish a fraud and enforcement review division within their respective corporations. Their duties are to assist, advise, and coordinate the pursuit of claims by Federal agencies, including the Department of Justice, the Comptroller of the Currency and the Securities and Exchange Commission. Reports on the coordinated pursuit of claims by Federal agencies are to be submitted to the Banking and Judiciary Committees of the House and Senate.

Sec. 7. Priority of Claims. This section would give the RTC and FDIC a priority, under certain circumstances, for claims against an insured depository institution's director, officer, employee and other institution—affiliated parties over competing suits by shareholders and others. Although some courts have recognized this priority, others have not. This section explicitly grants the FDIC and the RTC a priority as to private claims.

Sec. 8. Civil and Criminal Forfeiture for Fraud in the Sale of Assets by the RTC. This section would expand federal forfeiture law. It would permit the proceeds of fraud against the U.S. Government involving the sales of assets by the RTC and FDIC to be seized and forfeited.

Sec. 9. Disallowing Use of Bankruptcy to Evade Commitments to Maintain the Capital of a Federally Insured Depository Institution or to Evade Civil or Criminal Liability. This section would prohibit the discharging of debts under the bankruptcy statute for an officer, director, or other fiduciary of a federally-insured institution, who committed fraud upon the institution. Also, bankruptcy court protection would be denied from suits for damages, penalties, fines, forfeitures, restitutions, or other claims ordered by a court or by a bank regulatory agency.

Sec. 10. Money Laundering Involving Bank Crimes. This section would expand the prohibition on the laundering of money to include proceeds derived from fraudulent bank activities, fraudulent loan or credit applications, and mail or wire fraud affecting an insured depository institution.

Sec. 11. Regulation of Golden Parachutes, and Other Benefits which are Subject of Misuse. This section would give the FDIC authority to prohibit or limit golden parachute payments made after an insured institution is troubled or insolvent, or after the appointment of a conservator or receiver. Also, it authorizes the FDIC to recoup bonuses already paid through so-called "sweetheart deals." In addition, it prohibits insiders from using the assets of an institution on the brink of insolvency to pay for future legal defense for alleged wrongdoing on the part of insiders; and finally, it prohibits those who have had enforcement actions brought against them from forcing the institution to pay their attorney's fees.

Sec. 12. Prohibition on Acquisitions from Conservators and Receivers of Depository Institutions by Certain Institutions-Affiliated Parties. This section would prohibit an

officer, director or any other institution-affiliated party of an insured depository institution who caused a substantial loss to that institution, which is in conservatorship or receivership, from purchasing any asset from the FDIC or the RTC.

SALE OF SEMI-GAS SYSTEMS, INC., TO THE JAPANESE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, what a shock to read an article this weekend that President Bush has approved the sale of Semi-Gas Systems, Inc., to the Japanese. It is not too late to stop the sale, and tonight I am requesting President Bush to reconsider his decision.

I think this action could have grave consequences for the semiconductor industry, and it does affect our national security.

Semi-Gas is vital to Sematech, which was established several years ago to help the U.S. semiconductor industry compete in the world market. If Semi-Gas is sold to the Japanese firm, Nippon Sanso, it will force a shutdown of the Sematech research laboratory for 6 months and be a setback to Sematech.

The article, entitled "Bush To Let Japanese Buy Concern Vital to Chip Race," stated that, "President Bush said today that he would not block the sale of Semi-Gas Systems, a major supplier of gas distribution and control systems to American chipmakers, to a Japanese bidder even though the California company has a central role in the semiconductor industry's effort to overtake its Japanese rivals."

It also stated that Nippon Sanso of Japan intends to acquire Semi-Gas Systems for $23 million from Hercules, Inc., a large chemical producer based in Wilmington, DE.

Hercules acquired Semi-Gas 3 years ago for an investment of about $5 million.

I must add that the employees of Hercules have endeavored to buy the company for $18 million to keep it in the United States. But the Government apparently has only a bottom-line mentality and, instead, signed off on the sale.

I might add, Mr. Speaker, that Sematech has received a subsidy of $100 million each year because its production has been considered vital to our national security.

Semi-Gas is one of those vital components of Sematech, as has already been pointed out. Again I want to point out and emphasize that selling it to a foreign firm means Sematech will have to shut down its research laboratory for at least 6 months while trying to find a replacement.

The other aspect of this approval to sell Semi-Gas to a Japanese firm that causes me to ask questions is a result of the fact that only 3 or 4 weeks ago Chairman J.J. PICKLE brought out in his Committee on Ways and Means subcommittee that foreign firms, particularly the Japanese, owe some $50 billion in taxes to the United States Treasury, taxes that they have been dodging since 1983. Now we are turning over another American-owned firm, one essential to our national security, to foreigners who play games with our tax system as well as take our technology away.

Yes, Mr. Speaker, I want to repeat, the sale is a threat to Sematech's security and that means to this country's security.

Mr. Mills, senior vice president of Sematech, stated that, "Semi-Gas has been an intimate partner to Sematech almost since we began 2 years ago. They have an intimate knowledge of our fabrication facility. You couldn't choose a better way to do industrial espionage." That is what he said.

What amazes me, Mr. Speaker, is that the Committee on Foreign Investment in the United States, headed by Treasury Secretary Nicholas Brady, recommended approval of Nippon Gas' bid. I wonder why. Is it because we need to sell T-bills at this time?

According to the New York Times article, Mr. Noyce, Sematech's president and chief executive, stated before his death last month that, "The alliance was on course to reclaim the lead from their Japanese rivals by the mid-1990's, and with this sale Sematech will have a tough time to ever reclaim the lead." How can this happen?

In a story last November, the Journal of Commerce reported that Congress was being warned that the United States' semiconductor industry "is falling prey to foreign competitors determined to gain a chokehold on the materials and equipment needed to make computer chips."

In that article, Robert Noyce was quoted that, "Foreign competitors are determined to control the supply lines, the manufacturing and the end products." Mr. Noyce testified at a joint hearing of two House science subcommittees that, "While the United States has a 40-percent share of the worldwide semiconductor market, its hold on the markets for critical equipment and material is below that."

Does not Semi-Gas Systems qualify under one of those conditions? It certainly does under national security. The American people have placed their money in Sematech along with 14 American companies. They deserve a chance to succeed. In effect, we might say this is knocking the wind out of the semiconductor industry by allowing the sale of Semi-Gas Systems to Nippon Sanso.

I say to President Bush for economic and national security, Mr. President, please do not sell this company to the Japanese. Please reconsider your decision.

Mr. Speaker, I yield to the gentleman from California [Mr. HUNTER], who has been outstanding in all of our efforts to block technology transfer.

Mr. HUNTER. I thank the gentlewoman for yielding.

Mr. Speaker, I want to thank her for her vigilant efforts to retain American technology and to prevent a transfer that might accrue to the detriment of either the national security or the American economic base.

The one thing that I think should concern Members of Congress is this: We have spent a lot of money and undertaken a great deal of effort to make Sematech work and to succeed in the goals that we have set out for this consortium. The problem is that no one in Congress and no one in Sematech and no one, I think, in the administration presumed that some of the participants in Sematech would be purchased by the trading competitors against whose domination of the market the consortium is working.

If you look at it from a strategic aspect on the part of our competitors, I have to agree with Peter Mills, who says, "You couldn't choose a better way to do industrial espionage."

If one of these companies had undertaken to acquaint our trading competitors with intimate knowledge of the consortium's activity at Sematech, they would be subject to civil and possibly criminal charges. But by purchasing one of the players, one of the participants, our trading competitors are putting themselves in an especially advantageous position.

And the tragic part of this is that this transfer and this activity that has led to a reversal in a very important area has received the imprimatur of approval from our administration, from the Bush administration.

Mr. Speaker, I think it is appropriate for Congress to take action to protect this very vital investment that we have made. We made it with the taxpayer dollars from the American people because we had a very, very vital strategic and economic interest; in fact, a vital defense interest as well as an economic interest in the success of Sematech.

I cannot understand what rationale would lead the administration to not prevent this particular sale. Maybe the gentlewoman has some answers there.

Mrs. BENTLEY. I do not have the answers, but I can make some guesswork.

For example, I mentioned there are some purchases on some vital bills in August, and I know we need the money to keep going on operating in the red because we are destroying ourselves economically. We have guessed in the past that at each crucial sale the Japanese have come in and said,

"Hey, if you want us to buy, you've got to give us this." The FSX was one example of that. I am wondering if this comes back to that same category.

□ 2100

Going back to April, I did at that time protest one. I first heard that this was pending, and I protested to Brent Scowcroft, the National Security Adviser, about it. The sale has moved on. I think we need to try some emergency legislation tomorrow to see if we can stop this. I think this is really too crucial, and again, the taxpayers' money. Are we wasting it? Are we turning eveything over to the foreigners?

Mr. HUNTER. If the gentlewoman will continue to yield, I think this does not make good business sense to expend as many taxpayer dollars as we have to to make sure this consortium works, and then to allow one of the partners in the consortium to sell out to a trading competitor against whose advantage the consortium was formed. It makes no business sense, and it really is not dealing in good faith with the American taxpayers who are shelling out the dollars to make Sematech work. If the gentlewoman will draft up legislation, I am prepared to support it.

I want to commend also my colleague, the gentleman from California [Mr. LEVINE], who also has registered some disapproval with this particular sale.

Mrs. BENTLEY. We will move quickly on that, and I thank the gentleman from California [Mr. HUNTER] for these remarks.

THE SPIRALING AIDS CRISIS

The SPEAKER pro tempore (Mr. MINETA). Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, about 2 weeks ago this House and the Congress of the United States passed what was known as the Americans With Disabilities Act, and I think last week President Bush signed that act into law. There were many good things about the Americans With Disabilities Act. Some of those things are going to help the handicapped around this country, and they were very, very important.

Other things in that bill were not so good. In fact, some of them were kind of bad. For instance, health care workers and food handlers who have the AIDS virus, who have active AIDS, are allowed to continue to work in close proximity to patients at hospitals, cleaning their wounds and so forth, and food workers in restaurants who have active AIDS can continue to work preparing food for the people who come into those restaurants. The arguments on this floor were that a person cannot get AIDS through that kind of contact, so health care workers who work cleaning wounds of people who just had surgery, or people who prepare food are no danger to the general public. The fact of the matter is, Mr. Speaker, we really do not know all the ways that the AIDS virus can be communicated, can be spread.

The Center for Disease Control says AIDS cannot be transmitted through casual contact, and only through blood contact or by needles of intravenous users or sexual contact. Those are the only ways.

The problem is, exceptions have occurred. For instance, in the Soviet Union, seven mothers were infected with the AIDS virus by their children who were nursing, because the children had been infected in a nursery by a nurse who continued to use the same needle to give shots to these children because they had sold the regular needles on the black market. She continued to use one needle. She would clean it and stick it in the other children. All seven of those children got AIDS, and those childen breast fed off of their mother, and seven of the mothers in the Soviet Union contracted AIDS through the mouth contact of their child. So that was an exception. It was not through sexual contact. It was not from drug contact. It was not by intravenous drug users and needles. There was the case of a man who was in his 70's whose only contact with his wife was kissing her occasionally. They had no sexual contact. She contracted AIDS, and the general opinion was, of most doctors who were conversant, is that she received it through kissing her husband.

The Center for Tropical Diseases in Florida also has concern that flying insects, mosquitoes, might had transmitted AIDS virus in areas around the Miami area. Now, we do not know whether these are facts or whether they are not. The problem is that there is concern because they do not know all the ways that the AIDS virus is being transmitted. We do know that those mothers in the Soviet Union did contract the AIDS through the breast feeding.

That is why I have advocated over the past several years that we adopt a rational testing program nationwide to find out how AIDS is spreading, where it is spreading most rapidly, who is spreading it, and what we should do to deal with this terrible, terrible tragedy. Mr. Speaker, the fact of the matter is that in 1983, we had 4,200 cases of AIDS in the United States; in 1984, we had 9,900 cases of active AIDS; in 1985 that jumped to 20,000; in 1986, that jumped to 35,000; in 1987, 48,000; 1988, was 91,000. 1989 was 118,000. By the end of 1990 it will be about 153,000. 153,000 Americans have active AIDS and are doomed to die, and that is not to mention all of those who are carrying the virus who eventually will become active AIDS patients, and they will, in turn, die as well. The projections are that before the end of this decade we will have well over 1 million people dead or dying of the AIDS virus.

Now we have been told, though, by CDC and the health experts of this country that we cannot get AIDS except through two or three ways: intravenous needles that drug users use; blood-to-blood contact; and through sexual contact. Now, this past week it was reported in many publications around the country that a dentist in Florida who wore gloves, who wore all the apparel that the dentists wear these days, and a mask, transmitted the AIDS virus to a woman who he was performing oral surgery on. He pulled two of her teeth. He had active AIDS, knew it at the time, but wore all the protective gear. But this lady contracted AIDS, and all data points to her getting it in the operation of the dentist's office.

People say how can it happen? The fact of the matter is there are 230 million AIDS viruses that will fit on a period at the end of a sentence. Think about that: 230 million AIDS viruses will fit on a period at the end of a sentence. It is a very, very small virus, and it has been proven that the gloves that physicians and nurses wear are porous, and the AIDS virus can go through those gloves. Lest anyone doubt what I say, the fact of the matter is the Centers for Disease Control has sent out an edict and directives from the Centers urging doctors and nurses not to wear one set of gloves, but two sets of gloves, to double-glove, wear all kinds of protective clothing and masks. This dentist, obviously, did not do that, and the fact is, the woman contracted AIDS.

Now, we do not know for sure that she got it from that dentist, but all indications are that she did. I am not trying to scare people into saying that they should not go to their dentists for cleaning and for oral protection of their mouths and their gums, but we need to know more about how AIDS is transmitted in this country. We passed the ADA bill 2 weeks ago which said that if a person is a health care worker and someone moves them from a position where they are working on taking care of patients' wounds against their will, that hospital or the doctor that moved them can be used. He can be held liable, even though there is definitely a risk. If in a restaurant a person has active AIDS and they are preparing food, and the fellow that owns that restaurant decides to move them out of that position into a nonfood handling position, he can be held liable and will be sued.

Now, it is my contention that we must be concerned about the public health of the Nation. Our No. 1 responsibility as a body is to protect this Nation against a health crisis of this type. We must make sure that the majority of the people are protected. This has been done in the past. When we had a tuberculosis epidemic a couple of decades ago, three or four decades ago, we started putting people in sanitariums. I am not saying that should be done with AIDS, but I am saying that this country does take steps to protect the majority of the population's health when it is necessary

Right now we are finding that AIDS is being transmitted in several ways that cannot be explained, that the Centers for Disease Control and the HHS, Health and Human Services, continue to say it cannot be spread that way. The fact of the matter is, no matter what they say, strange things are happening in the way AIDS is being communicated, and we need to come to grips with this to protect the vast majority of the people of this country.

□ 2110

Mr. Speaker, people carry the AIDS virus for anywhere from 2 to 20 years before it becomes visible. It is in a latent stage, and so those people do not know they have the AIDS virus, nor does anyone who comes in contact with them. So, during this period, this incubation period, those people can infect other human beings without them knowing it or without the person with whom they come in contract with knowing it.

So, Mr. Speaker, the fact of the matter is, if we are to protect the people in this country who do not have AIDS, who do not know who has AIDS, then we have got to take some logical, orderly steps to deal with this crisis, and I think that we need to start off first with a routine testing program that will tell us where AIDS is spreading most rapidly, who is spreading it and how it is spreading to get some idea of what kind of a battle plan we should come up with.

The second thing we need to do is continue to educate the public, especially our young people, about the dangers of AIDS. It is extremely important. A recent study showed that children in the high school and college years have not changed their sexual practices at all, and that is the most dangerous area of our society, as far as the possibility of contracting AIDS is concerned.

So, Mr. Speaker, we need to continue education. Testing, education. We need also to have counseling for those people who are found to have AIDS, and we need to tell them that they can no longer have sexual contact with people outside the AIDS community because they might very well kill that individual, and then we need to have contact tracing to find out if individuals who have the disease and know it continue to indiscriminately have sexual contact or other contact that endangers the rest of our society and infects other humans.

Finally I think, Mr. Speaker, there needs to be penalties for those who have AIDS and knowingly continue to communicate it to other human beings. It is as bad as if they shot somebody with a gun. In fact, many people think it is worse because the penalty they are imposing upon their fellow man by giving them AIDS knowingly is something that is very, very painful, and it lasts over a long period of time and causes heartache, mental anguish, and ultimately a very tragic and horrible death.

So, right now, Mr. Speaker, they estimate we have somewhere between 1 million, and some people say it is as high as 5 to 6 million people in this country carrying the AIDS virus. Ninety-five percent of them do not know that they have it, and so they are going on their merry way, conducting business as usual, and we are all at risk.

The American Dental Association said in a recent interview that there are more than 5,000 health care workers in this country that have the AIDS virus, and there are more than 144 dentists have the AIDS virus. Those people are working on other human beings in hospitals and dental offices across this country, and the people going into those offices and those health care facilities do not know the people working on them have the AIDS virus because of the confidentiality that has been attached to the AIDS patient, the people who have the AIDS virus.

I am not saying that we need to publicly disclose who has AIDS, but I think that a dentist or a person who is a doctor who is doing invasive procedures on another human being should at least let that human being know that they have this virus and that those people, unless there is proper protections taken, precautions taken, that those people might be at risk.

We have a case here where it very likely happened that a dentist gave a patient the AIDS virus by extracting two teeth when he knew he had the AIDS virus, and I think that that is something that is darn near unforgivable. That patient should have known that they were to be at risk. The doctor should have double gloved. There are a lot of things that should have happened, if that was the case.

So, I think the bottom line, Mr. Speaker, is this body, the people's House, the House of Representatives, has a responsibility to deal with this crisis, this pandemic, before it gets completely out of hand. If we have 1 to 6 million people infected with the AIDS virus in this country, that means 1 to 6 million people are definitely going to die, and everyone they come in contact with sexually has a risk of getting that virus, and many of them will, and the virus and the epidemic will continue to spread.

Mr. Speaker, it is a silent, it is a very insidious, type of disease because of the way it is spread, because it is not readily apparent for many, many years, and I believe it is extremely important that we come to grips with this. The American people in the future will not forgive us if this epidemic get completely out of hand, and it is well on its way right now, and we are doing nothing to deal with it.

The only thing, Mr. Speaker, we have done in the past few weeks and months is to pass the ADA bill, which says, "No, we're not going to protect the American people's health, as far as AIDS is concerned. We're going to protect the people who have the AIDS virus and their civil rights."

Mr. Speaker, health rights are also very important, just as important, if not more so, than civil rights, and, if a person has the AIDS virus, and they are working in close proximity to a person who has just had surgery, heart surgery, or something else, then that persons either has a right to know or the person who has the AIDS virus and is working on them should not be allowed to do so, and yet, if that hospital or that doctor moves that health-care worker who has AIDS out of that position and moves them to some other job not involved with patients, that hospital and that physician can be sued, and sued dearly, and the AIDS carrier will be able to collect.

If a person who owns a restaurant moves and AIDS carrier out of a food-handling job or a food-preparation job into another position, they can and will be sued, and the AIDS carrier will be able to collect. Never mind that there may be a risk to the health of the people in that restaurant or that health care facility.

Mr. Speaker, my colleagues never did address one very fine point as far as food handling was concerned, and that was, if a person has active AIDS, their immune system breaks down, what happens is they get other disease because they have no immunity. Usually they get, first, pneumonia, or they get tuberculosis, or they get hepatitis B. All of those things are communicable diseases, and, if they are in a job where they are close to patients whose immune systems are down because of surgery, or if they are in close proximity to food or preparing food for individuals in a restaurant, tuberculosis, hepatitis B, and pneumonia can be and will be communicated. So, Mr. Speaker, I say to my colleagues, "Even if you

couldn't communicate the AIDS virus through this kind of contact, you most certainly would be putting these people at risk through the possibility of them getting tuberculosis, hepatitis B, or pneumonia."

I guess, Mr. Speaker, the last thing I would like to say is I think it is extremely important that we get our head out of the sack in this body, and in the other body, and at the Center for Disease Control in Atlanta and Health and Human Services and come up with a comprehensive program to deal with this terrible pandemic that faces every one of us in the United States of America and the world. If we do not do it, I think our children and our grandchildren are going to have to face a much more devastating part of this pandemic, and they are really going to condemn us for our inaction.

I know it is a difficult thing to deal with because there are civil rights involved, but we have to be concerned, first and foremost, about the health of the Nation.

CONFERENCE REPORT ON H.R. 1594

Mr. ROSTENKOWSKI submitted the following conference report and statement on the bill (H.R. 1594) to make miscellaneous and technical changes to various trade laws:

CONFERENCE REPORT (H. REPT. 101-650)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 1594) to make miscellaneous and technical changes to various trade laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

In lieu of the matter proposed to be inserted by the House amendment to the Senate amendment to the text of the bill insert the following:

TITLE I—TRADE AGENCY AUTHORIZATIONS, CUSTOMS USER FEES, AND OTHER PROVISIONS

Subtitle A—Trade Agency Authorizations for Fiscal Years 1991 and 1992

SEC. 101. UNITED STATES INTERNATIONAL TRADE COMMISSION.

Section 330(e)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) not to exceed the following:

"(i) $41,170,000 for fiscal year 1991.

"(ii) $44,052,000 for fiscal year 1992.

"(B) Not to exceed $2,500 of the amount authorized to be appropriated for any fiscal year under subparagraph (A) may be used, subject to the approval of the Chairman of the Commission, for reception and entertainment expenses.

"(C) No part of any sum that is appropriated under the authority of subparagraph (A) may be used by the Commission in the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

SEC. 102. UNITED STATES CUSTOMS SERVICE.

Section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) FOR NONCOMMERCIAL OPERATIONS.—There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in noncommercial operations not to exceed the following:

"(A) $516,217,000 for fiscal year 1991.

"(B) $542,091,000 for fiscal year 1992.

"(2) FOR COMMERCIAL OPERATIONS.—(A) There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in commercial operations not less than the following:

"(i) $672,021,000 for fiscal year 1991.

"(ii) $705,793,000 for fiscal year 1992.

"(B) The monies authorized to be appropriated under subparagraph (A) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Customs Service that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under section 13031(a) (9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be appropriated from the Customs User Fee Account.

"(3) FOR AIR INTERDICTION.—There are authorized to be appropriated for the operation (including salaries and expenses) and maintenance of the air interdiction program of the Customs Service not to exceed the following:

"(A) $143,047,000 for fiscal year 1991.

"(B) $150,199,000 for fiscal year 1992.".

SEC. 103. OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

(a) IN GENERAL.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended to read as follows:

"(g)(1)(A) There are authorized to be appropriated to the Office for the purposes of carrying out its functions not to exceed the following:

"(i) $23,250,000 for fiscal year 1991.

"(ii) $21,077,000 for fiscal year 1992.

"(B) Of the amounts authorized to be appropriated under subparagraph (A) for any fiscal year—

"(i) not to exceed $98,000 may be used for entertainment and representation expenses of the Office;

"(ii) not to exceed $2,050,000 may be used to pay the United States share of the expenses of binational panels and extraordinary challenge committees convened pursuant to chapter 19 of the United States-Canada Free-Trade Agreement; and

"(iii) not to exceed $1,000,000 shall remain available until expended.".

(b) CONFORMING AMENDMENT.—Section 406(b)(2) of the United States-Canada Free-Trade Agreement Act of 1988 (19 U.S.C. 2112 note) is amended to read as follows:

"(2) The United States Trade Representative is authorized to transfer to any department or agency of the United States, from sums appropriated pursuant to the authorization provided under paragraph (1) or section 141(g)(1) of the Trade Act of 1974, such funds as may be necessary to facilitate the payment of the expenses described in paragraph (1).".

Subtitle B—Customs User Fees

SEC. 111. CUSTOMS USER FEES.

(a) MERCHANDISE PROCESSING FEES.—Paragraphs (9) and (10) of section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a) (9) and (10)) are amended to read as follows:

"(9) For the processing of merchandise that is formally entered or released during any fiscal year, a fee, subject to the limitations in subsection (b)(8)(A), in an amount equal to 0.17 percent ad valorem.

"(10) For the processing of merchandise that is informally entered or released, other than at—

"(A) a centralized hub facility,

"(B) an express consignment carrier facility, or

"(C) a small airport or other facility to which section 236 of the Trade and Tariff Act of 1984 applies,

a fee of—

"(i) $2 if the entry or release is automated and not prepared by Customs personnel;

"(ii) $5 if the entry or release is manual and not prepared by Customs personnel; or

"(iii) $8 if the entry or release, whether automated or manual, is prepared by Customs personnel.

For provisions relating to the informal entry or release of merchandise at facilities referred to in subparagraphs (A), (B), and (C), see subsection (b)(9).".

(b) LIMITATIONS ON FEES.—Subsection (b) of section 13031 of such Act of 1985 (19 U.S.C. 58c(b)) is amended as follows:

(1) Subparagraph (B) of paragraph (1) is amended to read as follows:

"(B) the arrival of any railroad car the journey of which originates and terminates in the same country, but only if no passengers board or disembark from the train and no cargo is loaded or unloaded from such car while the car is within any country other than the country in which such car originates and terminates; or".

(2) Paragraph (8) is amended—

(A) by redesignating subparagraph (A) as subparagraph (D),

(B) by striking out subparagraph (B),

(C) by inserting before subparagraph (D) (as redesignated by this paragraph) the following:

"(A)(i) Subject to clause (ii), the fee charged under subsection (a)(9) for the formal entry or release of merchandise may not exceed $400 or be less than $21.

"(ii) A surcharge of $3 shall be added to the fee determined after application of clause (i) for any manual entry or release of merchandise.

"(B) No fee may be charged under subsection (a) (9) or (10) for the processing of any article that is—

"(i) provided for under any item in chapter 98 of the Harmonized Tariff Schedule of the United States, except subheading 9802.00.60 or 9802.00.80,

"(ii) a product of an insular possession of the United States, or

"(iii) a product of any country listed in subdivision (c)(ii)(B) or (c)(v) of general note 3 to such Schedule.

"(C) For purposes of applying subsection (a) (9) or (10)—

"(i) expenses incurred by the Secretary of the Treasury in the processing of merchandise do not include costs incurred in—

"(I) air passenger processing,

"(II) export control, or

"(III) international affairs, and

"(ii) any reference to a manual entry or release includes—

"(I) any entry or release filed by a broker or importer that requires the recording of cargo selectivity data by Customs personnel, except when the recording of such data is required because of a temporary administrative or technical failure in the Customs Service automated commercial system that prevents the filing of entries or release in that system by brokers and importers that are certified by the Customs Service to do so; and

"(II) any entry or release filed by a broker or importer that is not certified by the Customs Service to file entries and releases in the Customs Service automated commercial system.".

(D) by amending subparagraph (D) (as redesignated by this paragraph)—

(i) by striking out "be based" in clause (ii) and inserting "except as otherwise provided in this paragraph, be based",

(ii) by striking out "and" at the end of clause (iii),

(iii) by striking out the period at the end of clause (iv) and inserting "; and", and

(iv) by inserting after clause (iv) the following new clause:

"(v) in the case of agricultural products of the United States that are processed and packed in a foreign trade zone, be applied only to the value of material used to make the container for such merchandise, if such merchandise is subject to entry and the container is of a kind normally used for packing such merchandise.", and

(E) by adding at the end thereof the following new subparagraph:

"(E) For purposes of subsection (a) (9) and (10), merchandise is entered or released, as the case may be, if the merchandise is—

"(i) permitted or released under section 448(b) of the Tariff Act of 1930,

"(ii) entered or released from Customs custody under section 484(a)(1)(A) of the Tariff Act of 1930, or

"(iii) withdrawn from warehouse for consumption.".

(3) Paragraph (9) is amended to read as follows:

"(9)(A) With respect to the processing of merchandise that is informally entered or released at a centralized hub facility, an express consignment carrier facility, or a small airport or other facility, the following reimbursements and payments are required:

"(i) In the case of a centralized hub facility or small airport or other facility—

"(I) the reimbursement which such facility is required to make during the fiscal year under section 9701 of title 31, United States Code or section 236 of the Trade and Tariff Act of 1984; and

"(II) an annual payment by the facility to the Secretary of the Treasury, which is in lieu of the payment of fees under subsection (a)(10) for such fiscal year, in an amount equal to the reimbursement under subclause (I).

"(ii) In the case of an express consignment carrier facility—

"(I) an amount, for which the Customs Service shall be reimbursed under section 524 of the Tariff Act of 1930, equal to the cost of the Customs inspectional services provided by the Customs Service at the facility during the fiscal year; and

"(II) an annual payment by the facility to the Secretary of the Treasury, which is in lieu of the payment of fees under subsection (a)(10) for such fiscal year, in an amount equal to the reimbursement made under subclause (I).

"(B) For purposes of this paragraph:

"(i) The terms 'centralized hub facility' and 'express consignment carrier facility' have the respective meanings that are applied to such terms in part 128 of chapter I of title 19, Code of Federal Regulations, as in effect on July 30, 1990.

"(ii) The term 'small airport or other facility' means any airport or facility to which section 236 of the Tariff and Trade Act of 1984 applies.".

(4) Paragraph (10) is amended by striking out "under subsection (a)(10)" and inserting "under subsection (a) (9) or (10)".

(5) The following new paragraph is added at the end:

"(11) No fee may be charged under subsection (a) (9) or (10) with respect to products of Israel if an exemption with respect to the fee is implemented under section 112 of the Customs and Trade Act of 1990.".

(c) DISPOSITION OF FEES.—Subsection (f) of section 13031 of such Act of 1985 (19 U.S.C. 58c(f)) is amended—

(1) by striking out "All funds" in paragraph (2) and inserting in lieu thereof "Except as otherwise provided in this subsection, all funds"; and

(2) by amending paragraph (3) to read as follows:

"(3)(A) The Secretary of the Treasury, in accordance with section 524 of the Tariff Act of 1930 and subject to subparagraph (B), shall directly reimburse, from the fees collected under subsection (a) (other than subsection (a) (9) or (10)), each appropriation for the amount paid out of that appropriation for the costs incurred by the Secretary—

"(i) in providing—

"(I) inspectional overtime services, and

"(II) all preclearance services for which the recipients of such services are not required to reimburse the Secretary of the Treasury, and

"(ii) to the extent funds remain available to make reimbursements under clause (i), in providing salaries for full-time and part-time inspectional personnel and equipment that enhance Customs services for those persons or entities that are required to pay fees under paragraphs (1) through (8) of subsection (a) (distributed on a basis proportionate to the fees collected under subsection (a)(1) through (a)(8)).

Funds described in clause (ii) shall only be available to reimburse costs in excess of the highest amount appropriated for such costs during the period beginning with fiscal year 1990 and ending with the current fiscal year.

"(B) Reimbursement of appropriations under this paragraph—

"(i) except for costs described in subparagraph (A)(i) (I) and (II), shall be subject to apportionment or similar administrative practices;

"(ii) shall be made at least quarterly; and

"(iii) to the extent necessary, may be made on the basis of estimates made by the Secretary of the Treasury and adjustments shall be made in subsequent reimbursements to the extent that the estimates were in excess of, or less than, the amounts required to be reimbursed.

"(C)(i) For fiscal year 1991 and subsequent fiscal years, the amount required to fully reimburse inspectional overtime and preclearance costs shall be projected from actual requirements, and only the excess of collections over such projected costs for such fiscal year shall be used as provided in subparagraph (A)(ii).

"(ii) The excess of collections over inspectional overtime and preclearance costs (under subparagraph (A)(i)) reimbursed for fiscal years 1989 and 1990 shall be available in fiscal year 1991 and subsequent fiscal years for the purposes described in subparagraph (A)(ii), except that $30,000,000 of such excess shall remain without fiscal year limitation in a contingency fund and, in any fiscal year in which receipts are insufficient to cover the costs described in subparagraph (A) (i) and (ii), shall be used for—

"(I) the costs of providing the services described in paragraph (A)(i), and

"(II) after the costs described in subclause (I) are paid, the costs of providing the personnel and equipment described in subparagraph (A)(ii) at the preceding fiscal year level.

"(D) At the close of each fiscal year, the Secretary of the Treasury shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives summarizing the expenditures, on a port-by-port basis, for which reimbursement has been provided under subparagraph (A)(ii).".

(d) ENFORCEMENT AUTHORITY.—Subsection (g) of section 13031 of such Act of 1985 (19 U.S.C. 58c(g)) is amended—

(1) by amending the heading to read as follows: "REGULATIONS AND ENFORCEMENT.—"; and

(2) by adding at the end the following new paragraph:

"(3) Except to the extent otherwise provided in regulations, all administrative and enforcement provisions of Customs laws and regulations, other than those laws and regulations relating to drawback, shall apply with respect to any fee prescribed under subsection (a) of this section, and with respect to persons liable therefor, as if such fee is a Customs duty. For purposes of the preceding sentence, any penalty expressed in terms of a relationship to the amount of the duty shall be treated as not less than the amount which bears a similar relationship to the amount of the fee assessed. For purposes of determining the jurisdiction of any court of the United States or any agency of the United States, any fee prescribed under subsection (a) of this section shall be treated as if such fee is a Customs duty.".

(e) EXTENSION OF FEES.—Paragraph (3) of section 13031(j) of such Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1990" and inserting "1991".

(f) AGGREGATION OF MERCHANDISE PROCESSING FEES.—

(1) Notwithstanding any provision of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c), in the case of entries of merchandise made under the temporary monthly entry programs established by the Commissioner of Customs before July 1, 1989, for the purpose of testing entry processing improvements, the fee charged under section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 for each day's importations at each port by the same importer from the same exporter shall be the lesser of—

(A) $400, or

(B) the amount determined by applying the ad valorem rate determined in such section 13031(a)(9) to the total value of each day's importations at each port by the same importer from the same exporter.

(2) The fees described in paragraph (1) that are payable under the program described in paragraph (1) shall be paid with each monthly consumption entry. Interest shall accrue on the fees paid monthly in accordance with section 6621 of the Internal Revenue Code of 1986.

SEC. 112. EXEMPTION OF ISRAELI PRODUCTS FROM CERTAIN USER FEES.

If the United States Trade Representative determines that the Government of Israel has provided reciprocal concessions in exchange for the exemption of the products of Israel from the fees imposed under section 13031(a) (9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (as amended by section 111), such fees may not be charged with respect to any product of Israel that is entered, or withdrawn from warehouse for consumption, on or after the 15th day (which day may not be before October 1, 1990) after the date on which the determination is published in the Federal Register.

SEC. 113. CUSTOMS SERVICE ADMINISTRATION.

(a) IN GENERAL.—The Commissioner of Customs shall—

(1) develop and implement accounting systems that accurately determine and report the allocations made of Customs Service personnel and other resources among the various operational functions of the Service, such as passenger processing, merchandise processing and drug enforcement;

(2) develop and implement periodic labor distribution surveys of major workforce activities (such as inspectors, import specialists, fines, penalties, and forfeiture officers, special agents, data transcribers, and Customs aides) to determine the costs of different types of passenger and merchandise processing transactions, such as informal and formal entries, and automated and manual entries;

(3) as soon as practicable after the enactment of appropriations for the Customs Service for each fiscal year, but not later than the 15th day after the beginning of such year, estimate, based on the amounts appropriated, the amount of the fee that would, if imposed on the processing of merchandise, offset the salaries and expenses subject to reimbursement from the fee that will likely be incurred by the Service in conducting commercial operations during that year;

(4) develop annually a detailed derivation of the commercial services cost base and the methodology used for computing the merchandise processing fee under paragraph (3); and

(5) report within 45 days of the beginning of any fiscal year to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of each fee estimate made under paragraph (3) and each cost base and user fee methodology derivation made under paragraph (4).

(b) SURVEY REPORTS.—The Commissioner of Customs shall no later than January 31, 1991, submit to the Committees referred to in subsection (a)(5) a report on the results of the first survey implemented under subsection (a)(2).

SEC. 114. GAO REPORT ON ENTRIES BY MAIL.

Before the 240th day after the date of the enactment of this Act, the Comptroller General of the United States shall—

(1) determine the extent to which the fees imposed under section 13031(a)(6) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(6)) are collected;

(2) develop recommendations for maximizing the collection of such fees; and

(3) submit a written report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth such determination and recommendation and the bases therefor.

SEC. 115. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle, and the amendments made by this subtitle, take effect October 1, 1990, but the amendment made by section 111(b)(1) applies with respect to railroad cars arriving in the United States on or after July 7, 1986.

(b) EXCEPTIONS.—The amendment made by section 111(d), and section 112, take effect on the date of the enactment of this Act.

Subtitle C—Miscellaneous Customs Provisions

SEC. 121. CUSTOMS FORFEITURE FUND.

Section 613A of the Tariff Act of 1930 (19 U.S.C. 1613b) is amended as follows:

(1) Subsection (a)(1) is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting "; and"; and

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

"(F) equitable sharing payments made to other Federal agencies, State and local law enforcement agencies, and foreign countries under the authority of section 616(c) of this Act or section 981 of title 18, United States Code.".

(2) Subsection (a)(2) is amended—

(A) by inserting "(A)" after "(2)"; and

(B) by adding at the end thereof the following:

"(B) Any payment made under subparagraph (F) of paragraph (1) with respect to a seizure or forfeiture of property shall not exceed the value of the property at the time of disposition.".

(3) Subsection (c) is amended by inserting "forfeited currency and" before "proceeds".

(4) Subsection (e)(1) is amended—

(A) by striking out "and" after the semicolon at the end of subparagraph (A);

(B) by amending subparagraph (B)—

(i) by striking out clause (ii),

(ii) by redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively,

(iii) by striking out "and" after the semicolon in clause (iv) (as so redesignated); and

(iv) by striking out the period at the end thereof and inserting "; and"; and

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

"(C) a report containing, for the previous fiscal year—

"(i) a complete set of audited financial statements (including a balance sheet, income statement, and cash flow analysis) prepared in a manner consistent with the requirements of the Comptroller General, and

"(ii) an analysis of income and expenses showing the revenue received or lost—

"(I) by property category (general property, vehicles, vessels, aircraft, cash, and real property) and

"(II) by type of disposition (sales, remissions, cancellations, placed into official use, sharing with State and local agencies, and destructions).".

(5) Subsection (f) is amended to read as follows:

"(f)(1) Subject to paragraph (2), there are authorized to be appropriated from the Fund not to exceed $20,000,000 for each fiscal year to carry out the purposes set forth in subsections (a)(3) and (b) for such fiscal year.

"(2) Of the amount authorized to be appropriated under paragraph (1), not to exceed the following shall be available to carry out the purposes set forth in subsection (a)(3):

"(A) $14,855,000 for fiscal year 1991.

"(B) $15,598,000 for fiscal year 1992.".

SEC. 122. INCREASE IN VALUE SUBJECT TO ADMINISTRATIVE FORFEITURE; PROCESSING OF MONEY SEIZED UNDER THE CUSTOMS LAWS.

Section 607 of the Tariff Act of 1930 (19 U.S.C. 1607) is amended—

(1) by striking out "$100,000" in subsection (a)(1) and inserting "$500,000";

(2) by striking out "or" at the end of subsection (a)(2);

(3) by inserting "or" after the semicolon at the end of subsection (a)(3);

(4) by inserting after paragraph (3) of subsection (a) the following new paragraph:

"(4) such seized merchandise is any monetary instrument within the meaning of section 5312(a)(3) of title 31 of the United States Code;";

(5) by adding at the end thereof the following new subsection:

"(c) The Commissioner of Customs shall submit to the Congress, by no later than February 1 of each fiscal year, a report on the total dollar value of uncontested seizures of monetary instruments having a value of over $100,000 which, or the proceeds of which, have not been deposited into the Customs Forfeiture Fund under section 613A within 120 days of seizure, as of the end of the previous fiscal year."; and

(6) by striking out "$100,000" in the section heading and inserting "$500,000".

SEC. 123. ANNUAL NATIONAL TRADE AND CUSTOMS LAW VIOLATION ESTIMATES AND ENFORCEMENT STRATEGY.

(a) VIOLATION ESTIMATES.—Not later than 30 days before the beginning of each fiscal year after fiscal year 1991, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (hereafter in this section referred to as the "Committees") a report that contains estimates of—

(1) the number and extent of violations of the trade, customs, and illegal drug control laws listed under subsection (b) that will likely occur during the fiscal year; and

(2) the relative incidence of the violations estimated under paragraph (1) among the various ports of entry and customs regions within the customs territory.

(b) APPLICABLE STATUTORY PROVISIONS.—The Commissioner of Customs, after consultation with the Committees—

(1) shall, within 60 days after the date of the enactment of this Act, prepare a list of those provisions of the trade, customs, and illegal drug control laws of the United States for which the United States Customs Service has enforcement responsibility and to which the reports required under subsection (a) will apply; and

(2) may from time-to-time amend the listing developed under paragraph (1).

(c) ENFORCEMENT STRATEGY.—Within 90 days after submitting a report under subsection (a) for any fiscal year, the Commissioner of Customs shall—

(1) develop a nationally uniform enforcement strategy for dealing during that year with the violations estimated in the report; and

(2) submit to the Committees a report setting forth the details of the strategy.

(d) CONFIDENTIALITY.—The contents of any report submitted to the Committees under subsection (a) or (c)(2) are confidential and disclosure of all or part of the contents is restricted to—

(1) officers and employees of the United States designated by the Commissioner of Customs;

(2) the chairman of each of the Committees; and

(3) those members of each of the Committees and staff persons of each of the Committees who are authorized by the chairman thereof to have access to the contents.

SEC. 124. REPORTS REGARDING EXPANSION OF CUSTOMS PRECLEARANCE OPERATIONS AND RECOVERY FOR DAMAGE RESULTING FROM CUSTOMS EXAMINATIONS.

(a) CUSTOMS PRECLEARANCE.—The Secretary of the Treasury, in consultation with the Secretary of State, shall assess the advisability of expanding the use of preclearance operations by the United States Customs Service at foreign airports. The Secretary of Treasury shall submit a report on the assessment to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (hereafter in this section referred to as the "Committees") no later than February 1, 1991.

(b) RECOVERY FOR CUSTOMS DAMAGE.—

(1) The Secretary of the Treasury, in consultation with the Attorney General, shall determine and evaluate various means by which persons whose merchandise is damaged during customs examinations may seek compensation from, or take other recourse against, the United States Customs Service regarding the damage.

(2) No later than February 1, 1991, the Secretary of the Treasury shall submit to the Committees a report on the evaluation required under paragraph (1), together with any legislative recommendation that the Secretary considers appropriate.

(c) MERCHANDISE DAMAGE STATISTICS.—The Commissioner of Customs shall keep accurate statistics on the incidence, nature, and extent of damage to merchandise resulting from customs examinations and shall provide an annual summary of these statistics to the Committees.

Subtitle D—Miscellaneous Provisions

SEC. 131. TREATMENT OF CZECHOSLOVAKIA AND EAST GERMANY UNDER THE GENERALIZED SYSTEM OF PREFERENCES.

The table in section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Czechoslovakia" and "Germany (East)".

SEC. 132. TECHNICAL AMENDMENTS REGARDING NONDISCRIMINATORY TRADE TREATMENT.

(a) WAIVER AUTHORITY.—

(1) Paragraph (5) of section 402(d) of the Trade Act of 1974 (19 U.S.C. 2432(d)(5)) is amended—

(A) by striking out "the waiver authority granted by subsection (c) has been extended under paragraph (3) or (4) for any country for the 12-month period referred to in such paragraphs, and",

(B) by striking out "such authority will" in the first sentence thereof and inserting in lieu thereof "the waiver authority granted under subsection (c) will", and

(C) by striking out ", unless" in the next to the last sentence and all that follows through the end of such paragraph and inserting ", unless a joint resolution described in section 153(a) is enacted into law pursuant to the provisions of paragraph (2).".

(2) Subsection (d) of section 402 of the Trade Act of 1974 (19 U.S.C. 2432(d)), as amended by paragraph (1), is amended—

(i) by striking out paragraphs (1), (2), (3), and (4),

(ii) by redesignating paragraph (5) as paragraph (1), and

(iii) by adding at the end thereof the following new paragraph:

"(2)(A) The requirements of this paragraph are met if the joint resolution is enacted under the procedures set forth in section 153, and—

"(i) the Congress adopts and transmits the joint resolution to the President before the end of the 60-day period beginning on the date the waiver authority would expire but for an extension under paragraph (1), and

"(ii) if the President vetoes the joint resolution, each House of Congress votes to override such veto on or before the later of the last day of the 60-day period referred to in clause (i) or the last day of the 15-day period (excluding any day described in section 154(b)) beginning on the date the Congress receives the veto message from the President.

"(B) If a joint resolution is enacted into law under the provisions of this paragraph, the waiver authority applicable to any country with respect to which the joint resolution disapproves of the extension of such authority shall cease to be effective as of the day after the 60-day period beginning on the date of the enactment of the joint resolution.

"(C) A joint resolution to which this subsection and section 153 apply may be introduced at any time on or after the date the President transmits to the Congress the document described in paragraph (1)(B)."

(3) Subsection (a) of section 153 of the Trade Act of 1974 (19 U.S.C. 2193(a)) is amended to read as follows:

"(a) CONTENTS OF RESOLUTION.—For purposes of this section, the term 'resolution' means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on with respect to .', with the first blank space being filled with the appropriate date, and the second blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the clause beginning with 'with respect to' being omitted if the extension of the authority is not approved with respect to any country."

(4) Subsection (b) of section 153 of the Trade Act of 1974 (19 U.S.C. 2193(b)) is amended—

(A) by striking out ", and, in the case of a resolution related to section 402(d)(4), 20 calendar days shall be substituted for 30 days" in paragraph (2),

(B) by striking out "an except clause, in the case of a resolution described in subsection (a)(1), or" in paragraph (3),

(C) by striking out ", in the case of a resolution described in subsection (a)(2)" in paragraph (3),

(D) by striking out "an except clause, in the case of a resolution described in subsection (a)(1), or" in paragraph (4), and

(E) by striking out ", in the case of a resolution described in subsection (a)(2)" in paragraph (4).

(5) Subsection (c) of section 153 of the Trade Act of 1974 (19 U.S.C. 2193) is amended by striking out "in subsection (a)(1)" and inserting in lieu thereof "in subsection (a)".

(6) Section 153 of the Trade Act of 1974 (19 U.S.C. 2193) is amended by adding at the end thereof the following new subsection:

"(d) PROCEDURES RELATING TO CONFERENCE REPORTS IN THE SENATE.—

"(1) Consideration in the Senate of the conference report on any joint resolution described in subsection (a), including consideration of all amendments in disagreement (and all amendments thereto), and consideration of all debatable motions and appeals in connection therewith, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

"(2) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment to any amendment in disagreement shall be received unless it is a germane amendment."

(b) BILATERAL COMMERCIAL AGREEMENTS.—

(1) Subsection (c) of section 405 of the Trade Act of 1974 (19 U.S.C. 2435(c)) is amended to read as follows:

"(c) An agreement referred to in subsection (a), and a proclamation referred to in section 404(a) implementing such agreement, shall take effect only if a joint resolution described in section 151(b)(3) that approves of the agreement referred to in subsection (a) is enacted into law."

(2) Section 151 of the Trade Act of 1974 (19 U.S.C. 2191(b)) is amended—

(A) by inserting "or resolution" after "revenue bill" in subsection (b)(2),

(B) by inserting ", or approval resolution," in subsection (b)(2) after "implementing bill",

(C) by striking out "concurrent" in subsection (b)(3) and inserting in lieu thereof "joint",

(D) by striking out "revenue bill" each place it appears in subsection (e)(2) and inserting in lieu thereof "revenue bill or resolution", and

(E) by striking out "such bill" each place it appears in subsection (e)(2) and inserting in lieu thereof "such bill or resolution".

(3) Subsection (c) of section 407 of the Trade Act of 1974 (19 U.S.C. 2437(c)) is amended—

(A) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following new paragraph:

"(1) In the case of a document referred to in subsection (a), the proclamation set forth in the document may become effective and the agreement set forth in the document may enter into force and effect only if a joint resolution described in section 151(b)(3) that approves of the extension of nondiscriminatory treatment to the products of the country concerned is enacted into law.", and

(B) by redesignating paragraph (3) as paragraph (2).

(c) COMPLIANCE REPORTS.—

(1) Paragraph (2) of section 407(c) of the Trade Act of 1974 (19 U.S.C. 2437(c)(2)), as redesignated by subsection (b)(3)(B) of this section, is amended—

(A) by striking out "either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152)" and inserting in lieu thereof "a joint resolution described in section 152(a)(1)(B) is enacted into law that disapproves",

(B) by striking out "the date of the adoption" and inserting in lieu thereof "the end of the 60-day period beginning with the date of the enactment", and

(C) by adding at the end thereof the following new sentence: "If the President vetoes the joint resolution, the joint resolution shall be treated as enacted into law before the end of the 90-day period under this paragraph if both Houses of Congress vote to override such veto on or before the later of the last day of such 90-day period or the last day of the 15-day period (excluding any day described in section 154(b)) beginning on the date the Congress receives the veto message from the President.".

(2) Subparagraph (B) of section 152(a)(1) of the Trade Act of 1974 (19 U.S.C. 2192(a)(1)(B)) is amended to read as follows:

"(B) a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not approve transmitted to the Congress on .', with the first blank space being filled in accordance with paragraph (2), and the second blank space being filled with the appropriate date."

(3) Paragraph (2) of section 152(a) of the Trade Act of 1974 (19 U.S.C. 2192(a)(2)) is amended—

(A) by striking out "second" in the matter preceding subparagraph (A) and inserting in lieu thereof "first",

(B) by adding "and" at the end of subparagraph (A),

(C) by striking out "407(c)(3)" in subparagraph (C) and inserting in lieu thereof "407(c)(2)",

(D) by striking out subparagraph (B), and

(E) by redesignating subparagraph (C) as subparagraph (B).

(4) Paragraph (1) of section 152(c) of the Trade Act of 1974 (19 U.S.C. 2192(c)(1)) is amended by striking out "except" and all that follows thereafter and inserting the following: "except that a motion to discharge—

"(A) may only be made on the second legislative day after the calendar day on which the Member making the motion announces to the House his intention to do so; and

"(B) is not in order after the Committee has reported a resolution with respect to the same matter.".

(5) Subsection (f) of section 152 of the Trade Act of 1974 (19 U.S.C. 2192(f)) is amended to read as follows:

"(f) PROCEDURES IN THE SENATE.—

"(1) Except as otherwise provided in this section, the following procedures shall apply in the Senate to a resolution to which this section applies:

"(A)(i) Except as provided in clause (ii), a resolution that has passed the House of Representatives shall, when received in the Senate, be referred to the Committee on Finance for consideration in accordance with this section.

"(ii) If a resolution to which this section applies was introduced in the Senate before receipt of a resolution that has passed the House of Representatives, the resolution from the House of Representatives shall, when received in the Senate, be placed on the calendar. If this clause applies, the procedures in the Senate with respect to a resolution introduced in the Senate that con-

tains the identical matter as the resolution that passed the House of Representatives shall be the same as if no resolution had been received from the House of Representatives, except that the vote on passage in the Senate shall be on the resolution that passed the House of Representatives.

"(B) If the Senate passes a resolution before receiving from the House of Representatives a joint resolution that contains the identical matter, the joint resolution shall be held at the desk pending receipt of the joint resolution from the House of Representatives. Upon receipt of the joint resolution from the House of Representatives, such joint resolution shall be deemed to be read twice, considered, read the third time, and passed.

"(2) If the texts of joint resolutions described in section 152 or 153(a), whichever is applicable, concerning any matter are not identical—

"(A) the Senate shall vote passage on the resolution introduced in the Senate, and

"(B) the text of the joint resolution passed by the Senate shall, immediately upon its passage (or, if later, upon receipt of the joint resolution passed by the House), be substituted for the text of the joint resolution passed by the House of Representatives, and such resolution, as amended, shall be returned with a request for a conference between the two Houses.

"(3) Consideration in the Senate of any veto message with respect to a joint resolution described in subsection (a)(2)(B) or section 153(a), including consideration of all debatable motions and appeals in connection therewith, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees."S6333

(6) Subsection (b) of section 154 of the Trade Act of 1974 (194 U.S.C. 2194(b)) is amended by striking out "407(c)(2) and 407(c)(3)" and inserting in lieu thereof "and 407(c)(2)".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section take effect on the date of the enactment of this Act.

(2) EXTENSION OF WAIVER AUTHORITY.—

(A) The amendments made by subsections (a) and (c) (4) and (5) apply with respect to recommendations made under section 402(d) of the Trade Act of 1974 by the President after May 23, 1990.

(B) Solely for purposes of applying the applicable provisions of the Trade Act of 1974 with respect to the recommendations made by the President to the House of Representatives and the Senate under subsection (d) of section 402 of the Trade Act of 1974 after May 23, 1990, and on or before the date of the enactment of this Act—

(i) in paragraph (2)(A)(i) of subsection (d) of such section 402 (as amended by subsection (a)), the date on which the waiver authority granted under subsection (c) of such section 402 would expire but for an extension under paragraph (1) of such subsection (d) is the date of the enactment of this Act;

(ii) paragraph (2)(A)(ii) of subsection (d) of such section 402 (as amended by subsection (a)) shall be treated as reading as follows:

"(ii) if the President vetoes the joint resolution, each House of Congress votes to override such veto on or before the last day of the 60-day period referred to in clause (i).";

(iii) if the waiver authority granted under such subsection (c) is extended after application of clauses (i) and (ii), the expiration date for such authority is July 3, 1991; and

(iv) only joint resolutions described in section 153(a) of the Trade Act of 1974 (as amended by subsection (a)) that are introduced in the House of Representatives or the Senate on or after the date of the enactment of this Act may be considered by either body.

SEC. 133. COMPETITIVENESS POLICY COUNCIL.

(a) MEMBERSHIP OF COUNCIL.—Section 5205 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4804) is amended—

(1) in subsection (b) by striking out "January 21, 1989" and inserting in lieu thereof "the date of the enactment of the Customs and Trade Act of 1990";

(2) by striking out subsections (e) and (f) and inserting in lieu thereof the following new subsections:

"(e) CONFLICT OF INTEREST.—A member of the Council shall not serve as an agent for a foreign principal.

"(f) EXPENSES.—Each member of the Council, while engaged in duties as a member of the Council, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from the usual place of residence of such member, in accordance with subchapter I of chapter 57 of title 5, United States Code."; and

(3) by striking out subsections (l) and (m).

(b) EXECUTIVE DIRECTOR AND STAFF.—Section 5206 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4805) is amended by adding the following new subsections:

"(c) EXPERTS AND CONSULTANTS.—The Council may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

"(d) DETAILS.—Upon request of the Council, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this subtitle.".

(c) POWERS OF THE COUNCIL.—Section 5207 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4806) is amended—

(1) by redesignating subsections (d), (e), (f), (g), (h), and (i) as subsections (c), (d), (e), (f), (g), and (h), respectively; and

(2) in subsection (c) (as redesignated under paragraph (1)) by striking out "60" and inserting in lieu thereof "120".

(d) ANNUAL REPORT.—Section 5208(a) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4807(a)) is amended by striking out "prepare and" and inserting in lieu thereof "on March 1".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 5209 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4808) is amended by striking out "1989 and 1990" and inserting in lieu thereof "1991 and 1992".

SEC. 134. TECHNICAL AMENDMENTS RELATING TO THE UNITED STATES-CANADA FREE-TRADE AGREEMENT.

(a) AMENDMENTS TO THE TARIFF ACT OF 1930.—

(1) Section 313(n) of the Tariff Act of 1930 (19 U.S.C. 1313(n)) is amended—

(A) by inserting ", except an article" before "made from or substituted for", and

(B) by striking "of 1988" the second place it appears and inserting a comma.

(2) Section 313(o) of the Tariff Act of 1930 (19 U.S.C. 1313(o)) is amended by adding at the end thereof the following new sentence: "This subsection shall apply to vessels delivered to Canadian account or owner, or to the Government of Canada, on and after January 1, 1994 (or, if later, the date proclaimed by the President under section 204(b)(2)(B) of the United States-Canada Free-Trade Agreement Implementation Act of 1988).".

(3) Section 516A of the Tariff Act of 1930 (19 U.S.C. 1516a) is amended—

(A) in subsection (a)(5)—

(i) by striking subparagraph (A) and inserting:

"(A) the date of publication in the Federal Register of notice of any determination described in paragraph (1)(B) or any determination described in clause (i), (ii), or (iii) of paragraph (2)(B),", and

(ii) by striking out the period at the end of subparagraph (B) and inserting ", or", and by adding at the end thereof the following new subparagraph:

"(C) the date as of which—

"(i) a binational panel has dismissed the binational panel review for lack of jurisdiction, and

"(ii) any interested party seeking review under paragraph (1), (2), or (3) has provided timely notice under subsection (g)(3)(B),

except that if a request for an extraordinary challenge committee has been made with respect to the decision to dismiss, the date under this subparagraph shall not be earlier than the date on which such committee determines that such panel acted properly when it dismissed for lack of jurisdiction,"; and

(B) in subsection (g)(3)—

(i) by striking "or" at the end of subparagraph (A)(ii), by striking the period at the end of subparagraph (A)(iii) and inserting ", or", and by adding at the end of subparagraph (A) the following new clause:

"(iv) a determination which a binational panel has determined under paragraph (2)(A) is not reviewable by the binational panel.", and

(ii) by inserting "or (iv)" after "subparagraph (A)(i)" in subparagraph (B).

(4) Section 777(d) of the Tariff Act of 1930 (19 U.S.C. 1677f(d)), as added by section 403(c) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, is redesignated as subsection (f) and is further amended—

(A) in paragraph (1)(A)—

(i) by striking "(but not privileged material as defined by the rules of procedure referred to in article 1904(14) of the United States-Canada Agreement)", and

(ii) by adding at the end thereof the following new sentence: "If the administering authority or the Commission claims a privilege as to a document or portion of a document in the administrative record of the proceeding in question and a binational panel finds that in camera inspection or limited disclosure of that document or portion thereof is required by United States law, the administering authority or the Commission, as appropriate, may restrict access to such document or portion thereof to the authorized persons identified by the panel as requiring access and may require such persons to obtain access under a protective order described in paragraph (2).";

(B) in paragraph (1)(B)—

(i) by inserting ", and persons under the direction and control," after "employees" in clause (ii),

(ii) by striking "and" at the end of clause (ii),

(iii) by striking all after "in order to" in clause (iii) and inserting "make recommendations to the Trade Representative regarding the convening of extraordinary chal-

lenge committees under chapter 19 of the Agreement, and"; and

(iv) by adding at the end thereof the following new clause:

"(iv) any officer or employee of the Government of Canada designated by an authorized agency of Canada to whom disclosure is necessary in order to make decisions regarding the convening of extraordinary challenge committees under chapter 19 of the Agreement.";

(C) in paragraph (3)—

(i) by striking "or" after "violate," each place it appears, and

(ii) by inserting "or knowingly to receive information the receipt of which constitutes a violation of," after "violation of," each place it appears; and

(D) in paragraph (4), by striking out "or inducement of a violation," and inserting "inducement of a violation or receipt of information with reason to know that such information was disclosed in violation,".

(b) AMENDMENTS TO THE UNITED STATES-CANADA FREE-TRADE AGREEMENT IMPLEMENTATION ACT OF 1988.—

(1) Section 406(b) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 (19 U.S.C. 2112 note) is amended by adding at the end thereof the following new paragraph:

"(4) If the Canadian Secretariat described in chapter 19 of the Agreement provides funds during any fiscal year for the purpose of paying, in accordance with Annex 1901.2 of the Agreement, the Canadian share of the expenses of binational panels, the United States Secretariat established under section 405(e)(1) may hereafter retain and use such funds for such purposes.".

(2) Section 408(c) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 (19 U.S.C. 2112 note) is amended by striking all after "persons" and inserting "who would otherwise be entitled under Canadian law to commence procedures for judicial review of a final antidumping or countervailing duty determination made by a competent investigating authority of Canada.".

(3) Section 409(b)(3)(A) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 (19 U.S.C. 2112 note) is amended by striking "section 305" and inserting "section 308".

(c) AMENDMENT TO HARMONIZED TARIFF SCHEDULE.—U.S. Note 1 to subchapter XIII of chapter 98 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007) is amended by adding at the end thereof the following new paragraph:

"(c) For purposes of this subchapter, the shipment to Canada of an article entered into the United States under heading 9813.00.05 shall not constitute an exportation, unless the article is a drawback eligible good under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988. This paragraph shall apply to shipments on or after January 1, 1994 (or, if later, the date proclaimed by the President under section 204(b)(2)(B) of such Act).".

SEC. 135. TREATMENT OF CERTAIN INFORMATION UNDER ADMINISTRATIVE PROTECTIVE ORDERS.

(a) IN GENERAL.—Section 333 of the Tariff Act of 1930 (19 U.S.C. 1333) is amended by adding at the end thereof the following new subsection:

"(h) ADMINISTRATIVE PROTECTIVE ORDERS.—Any correspondence, private letters of reprimand, and other documents and files relating to violations or possible violations of administrative protective orders issued by the Commission in connection with investigations or other proceedings under this title shall be treated as information described in section 552(b)(3) of title 5, United States Code.".

(b) COUNTERVAILING AND ANTIDUMPING DUTY INVESTIGATIONS.—Section 777 of the Tariff Act of 1930 (19 U.S.C. 1677f) is amended)—

(1) by adding the following sentences at the end of subsection (c)(1)(A): "Customer names obtained during any investigation which requires a determination under section 705(b) or 735(b) may not be disclosed by the administering authority under protective order until either an order is issued under section 706(a) or 736(a) as a result of the investigation or the investigation is suspended or terminated. The Commission may delay disclosure of customer names under protective order during any such investigation until a reasonable time prior to any hearing provided under section 774."; and

(2) by adding at the end thereof the following new subsection:

"(g) INFORMATION RELATING TO VIOLATIONS OF PROTECTIVE ORDERS AND SANCTIONS.—The administering authority and the Commission may withhold from disclosure any correspondence, private letters of reprimand, settlement agreements, and documents and files compiled in relation to investigations and actions involving a violation or possible violation of a protective order issued under subsection (c) or (d), and such information shall be treated as information described in section 552(b)(3) of title 5, United States Code.".

(c) APPLICATION OF AMENDMENTS TO PRODUCTS OF CANADIAN ORIGIN.—For purposes of section 404 of the United States-Canada Free-Trade Agreement Implementation Act of 1988, the amendments made by subsection (b) also apply with respect to investigations under title VII of the Tariff Act of 1930 involving products of Canadian origin.

SEC. 136. EXTENSION OF TIME FOR PREPARATION OF REPORT ON SUPPLEMENTAL WAGE ALLOWANCE DEMONSTRATION PROJECTS UNDER THE WORKER ADJUSTMENT ASSISTANCE PROGRAM.

Section 246 of the Trade Act of 1974 (19 U.S.C. 2318) is amended—

(1) by striking out "and carry out" in the matter preceding paragraph (1) of subsection (a); and

(2) by striking out "3 years" in subsection (d) and inserting "6 years".

SEC. 137. DRUG PARAPHERNALIA.

(a) STATISTICAL ANNOTATIONS.—The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade Commission shall take actions under section 484(e) of the Tariff Act of 1930 (19 U.S.C. 1484(e)) to implement the recommendations of the Commission regarding additional statistical annotations that were made in the report of the Commission on Investigation 332-277.

(b) REPORT.—By no later than the date that is 1 year after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the operational response of the United States Customs Service to the recommendations contained in the report of the United States Trade Commission described in subsection (a). The report submitted by the Commissioner of Customs under this subsection shall address the effectiveness of the United States Customs Service in monitoring and seizing drug paraphernalia, including crack bags, vials, and pipes.

SEC. 138. ECONOMIC SANCTIONS AGAINST PRODUCTS OF BURMA.

(a) IN GENERAL.—If, prior to October 1, 1990, the President does not certify to Congress that Burma has met all of the conditions listed in subsection (b), then the President—

(1) shall impose such economic sanctions upon Burma as the President determines to be appropriate, including any sanctions appropriate under the Narcotics Control Trade Act of 1986; and

(2) should confer with other industrialized democracies in order to reach cooperative agreements to impose sanctions against Burma.

(b) CONDITIONS WHICH BURMA MUST MEET.—The conditions referred to in subsection (a) are as follows:

(1) Burma meets the certification requirements listed in section 802(b) of the Narcotics Control Trade Act of 1986.

(2) The national governmental legal authority in Burma has been transferred to a civilian government.

(3) Martial law has been lifted in Burma.

(4) Prisoners held for political reasons in Burma have been released.

(c) IMPOSITION OF SANCTIONS.—In applying subsection (a)(1), the President shall give primary consideration to the imposition of sanctions on those products which constitute major imports from Burma, including fish, tropical timber, and aquatic animals, unless the President determines that sanctions against such products would have a significant adverse effect on the economic interests of the United States.

(d) REPORTS IF SANCTIONS NOT IMPOSED.—If the President does not impose economic sanctions under subsection (a)(1), the President shall—

(1) report to the Congress his reasons for not imposing sanctions and the actions he intends to take to achieve the conditions listed in subsection (b)(1) through (4); and

(2) for as long as economic sanctions are not imposed during the 2-year period after the date on which the report is first made under paragraph (1), submit semiannual reports to the Congress regarding the reasons and actions referred in such paragraph.

SEC. 139. MISCELLANEOUS TECHNICAL AND CLERICAL AMENDMENTS.

(a) TARIFF ACT OF 1930.—The Tariff Act of 1930 is amended as follows:

(1) Section 555(b)(6) (19 U.S.C. 1555(b)(6)) is amended by striking out "subpart A of part 2 of schedule 8 of the Tariff schedules of the United States" and inserting "subchapter IV of chapter 98 of the Harmonized Tariff Schedule of the United States".

(2) Section 739(a)(1)(B)(v) (19 U.S.C. 1673h(a)(1)(B)(v)) is amended by striking out "Tariff Schedules of the United States" and inserting "Harmonized Tariff Schedule of the United States".

(3) Section 771(20)(A) (19 U.S.C. 1677(20)(A)) is amended by striking out "schedule 8 of the Tariff Schedules of the United States" and inserting "chapter 98 of the Harmonized Tariff Schedule of the United States".

(b) OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.—Section 1102(c)(4) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902(c)(4)) is amended—

(1) by striking out "paragraph (3)(B)" and inserting "paragraph (3)(C)"; and

(2) by striking out "1103(f)" and inserting "1103(e)".

(c) COBRA OF 1985.—Section 13031(b)(8)(D) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C.

58c(b)(8)(D)) (as redesignated by section 111(b)(2)(A) of this Act) is amended—

(1) by striking out "subparagraph 9802.00.60 of the Tariff Schedules of the United States" in clause (iii) and inserting "subheading 9802.00.60 of the Harmonized Tariff Schedule of the United States";

(2) by striking out "subparagraph 9802.00.80 of Schedules" in clause (iv) and inserting "heading 9802.00.80 of such Schedule"; and

(3) by striking out "subparagraph 9802.00.60 or 807.00 of such Schedules" in the sentence following clause (iv) and inserting "subheading 9802.00.60 or heading 9802.00.80 of such Schedule".

SEC. 140. INCREASE IN EXPENDITURES TO PROVIDE ASSISTANCE FOR UNITED STATES CITIZENS RETURNING FROM FOREIGN COUNTRIES.

Section 1113(d) of the Social Security Act (42 U.S.C. 1313(d)) is amended to read as follows:

"(d) The total amount of temporary assistance provided under this section shall not exceed $1,000,000 during any fiscal year beginning on or after October 1, 1989."

SEC. 141. ADMINISTRATIVE PROVISION.

(a) GENERAL RULE.—The determination of whether temporary 1990 census services constitute "Federal service" for purposes of subchapter I of chapter 85 of title 5, United States Code, shall be made under the provisions of such subchapter without regard to any provision of law not contained in such subchapter.

(b) TEMPORARY 1990 CENSUS SERVICES.—For purposes of subsection (a), the term "temporary 1990 census services" means services performed by individuals appointed to temporary positions within the Bureau of the Census for purposes relating to the 1990 decennial census of population (as determined under regulations determined by the Secretary of Commerce).

SEC. 142. NONDISCRIMINATORY TREATMENT FOR THE PRODUCTS OF EAST GERMANY.

Notwithstanding any other provision of law, the President may, by proclamation, lower the rate of duty under the Harmonized Tariff Schedule of the United States on products of the German Democratic Republic that are entered, or withdrawn from warehouse for consumption, in the custom territory of the United States—

(1) after September 30, 1990; and

(2) before the beginning date on which a unified Germany is treated as a country eligible for column 1 duty treatment under such Harmonized Schedule;

to any rate of duty that is not lower than the rate that would be imposed if the column 1 general rate of duty provided for in such Schedule applied to the product at the time of entry or withdrawal.

TITLE II —CARIBBEAN BASIN ECONOMIC RECOVERY

Subtitle A—Short Title and Findings

SEC. 201. SHORT TITLE.

This title may be cited as the "Caribbean Basin Economic Recovery Expansion Act of 1990".

SEC. 202. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) a stable political and economic climate in the Caribbean region is necessary for the development of the countries in that region and for the security and economic interests of the United States;

(2) the Caribbean Basin Economic Recovery Act was enacted in 1983 to assist in the achievement of such a climate by stimulating the development of the export potential of the region; and

(3) the commitment of the United States to the successful development of the region, as evidenced by the enactment of the Caribbean Basin Economic Recovery Act, should be reaffirmed, and further strengthened, by amending that Act to improve its operation.

Subtitle B—Amendments to the Caribbean Basin Economic Recovery Act and Related Provisions

PART 1—AMENDMENTS TO CARIBBEAN BASIN ECONOMIC RECOVERY ACT

SEC. 211. REPEAL OF TERMINATION DATE ON DUTY-FREE TREATMENT UNDER THE ACT.

Section 218 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2706(b)) is repealed.

SEC. 212. DUTY REDUCTION FOR CERTAIN LEATHER-RELATED PRODUCTS

(a) IN GENERAL.—Section 213 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703) is amended by adding at the end thereof the following new subsection:

"(h)(1) Subject to paragraph (2), the President shall proclaim reductions in the rates of duty on handbags, luggage, flat goods work gloves, and leather wearing apparel that—

"(A) are the product of any beneficiary country; and

"(B) were not designated on August 5, 1983, as eligible articles for purposes of the generalized system of preferences under title V of the Trade Act of 1974.

"(2) The reduction required under paragraph (1) in the rate of duty on any article shall—

"(A) result in a rate that is equal to 80 percent of the rate of duty that applies to the article on December 31, 1991, except that, subject to the limitations in paragraph (3), the reduction may not exceed 2.5 percent ad valorem; and

"(B) be implemented in 5 equal annual stages with the first one-fifth of the aggregate reduction in the rate of duty being applied to entries, or withdrawals from warehouse for consumption, of the article on or after January 1, 1992.

"(3) The reduction required under this subsection with respect to the rate of duty on any article is in addition to any reduction in the rate of duty on that article that may be proclaimed by the President as being required or appropriate to carry out any trade agreement entered into under the Uruguay Round of trade negotiations; except that if the reduction so proclaimed—

"(A) is less than 1.5 percent ad valorem, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed 3.5 percent ad valorem, or

"(B) is 1.5 percent ad valorem or greater, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed the proclaimed reduction plus percent ad valorem.".

(b) CONFORMING AMENDMENTS.—Subsection (b) of section 213 is amended—

(1) by striking out ", handbags, luggage, flat goods, work gloves, and leather wearing apparel" in paragraph (2);

(2) by striking "or" at the end of paragraph (4);

(3) by striking out the period at the end of paragraph (5) and inserting "; or"; and

(4) by adding at the end thereof the following new paragraph:

"(6) articles to which reduced rates of duty apply under subsection (h).".

SEC. 213. WORKER RIGHTS.

Section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702) is amended—

(1) by striking out "and" after the semicolon at the end of subsection (b)(5);

(2) by striking out the period at the end of subsection (b)(6) and inserting "; and";

(3) by adding at the end of subsection (b) the following new paragraph:

"(7) if such country has not or is not taking steps to afford internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974) to workers in the country (including any designated zone in that country).";

(4) by amending the last sentence in subsection (b) by striking out "and (5)" and inserting "(5), and (7)"; and

(5) by amending subsection (c)(8) to read as follows:

"(8) whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights.".

SEC. 214. REPORTS.

Section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702) is amended by adding at the end thereof the following new subsection:

"(f) On or before October 1, 1993, and the close of each 3-year period thereafter, the President shall submit to the Congress a complete report regarding the operation of this title, including the results of a general review of beneficiary countries based on the considerations described in subsections (b) and (c).".

SEC. 215. TREATMENT OF ARTICLES GROWN, PRODUCED, OR MANUFACTURED IN PUERTO RICO.

(a) IN GENERAL.—Section 213(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)) is amended by adding at the end thereof the following new paragraph:

"(5) The duty-free treatment provided under this chapter shall apply to an article (other than an article listed in subsection (b)) which is the growth, product, or manufacture of the Commonwealth of Puerto Rico if—

"(A) the article is imported directly from the beneficiary country into the customs territory of the United States,

"(B) the article was by any means advanced in value or improved in condition in a beneficiary country, and

"(C) if any materials are added to the article in a beneficiary country, such materials are a product of a beneficiary country or the United States.".

(b) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after October 1, 1990.

(2) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer after September 30, 1990, and before April 1, 1991, any entry, or withdrawal from warehouse—

(A) which was made after August 5, 1983, and before October 1, 1990, and with respect to which liquidation has not occurred before October 1, 1990, and

(B) with respect to which there would have been no duty, or a lesser duty, if the amendment made by subsection (a) applied,

shall be liquidated as though such amendment applied to such entry or withdrawal.

SEC. 216. APPLICATION OF ACT IN EASTERN CARIBBEAN AREA.

It is the sense of the Congress that there should be undertaken special efforts in order to improve the ability of the Organization of

Eastern Caribbean States countries and Belize to benefit from the Caribbean Basin Economic Recovery Act.

PART 2—AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULE AND OTHER PROVISIONS AFFECTING CBI BENEFICIARY COUNTRIES

SEC. 221. INCREASE IN DUTY-FREE TOURIST ALLOWANCES.

(a) DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS.—Subchapter IV of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(1) by inserting the following new note at the end of the notes to such subchapter:

"4. As used in subheadings 9804.00.70 and 9804.00.72, the term 'beneficiary country' means a country listed in general note 3(c)(v)(A).";

(2) by striking out "subheading 9804.00.65 or 9804.00.70" and all that follows thereafter in the superior article description to subheadings 9804.00.65 and 9804.00.70 and inserting "subheadings 9804.0.65, 9804.00.70, and 9804.00.72 within 30 days preceding his arrival, and claims exemption under only one of such items on his arrival.";

(3) by striking out "$800" in subheading 9804.00.70 and inserting "$1,200";

(4) by inserting "or up to $600 of which have been acquired in one or more beneficiary countries" before the parenthetical matter in subheading 9804.00.70; and

(5) by inserting after subheading 9804.00.70 the following new subheading with the article description for the new subheading having the same degree of indentation as subheading 9804.00.70:

"9804.00.72 Articles whether or not accompanying a person, not over $600 in aggregate fair market value in the country of acquisition, including—.	.....	.....
(a) but only in the case of an individual who has attained the age of 21, not more than 1 liter of alcohol beverages or not more than 2 liters if at least one liter is the product of one or more beneficiary countries, and	.....	.....
(b) not more than 200 cigarettes, and not more than 100 cigars, if such person arrives directly from a beneficiary country, not more than $400 of which shall have been acquired elsewhere than in beneficiary countries (but this item does not permit the entry of articles not accompanying a person which were acquired elsewhere than in beneficiary countries).	Free.....	..... Free."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to residents of the United States who depart from the United States on or after the 15th day after the date of the enactment of this Act.

SEC. 222. DUTY-FREE TREATMENT FOR ARTICLES ASSEMBLED IN BENEFICIARY COUNTRIES FROM COMPONENTS PRODUCED IN THE UNITED STATES.

(a) IN GENERAL.—U.S. Note 2 of subchapter II of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking out "2. Any" and inserting "2. (a) Except as provided in paragraph (b), any"; and

(2) by adding at the end thereof the following new paragraph:

"(b) No article (except a textile article, apparel article, or petroleum, or any product derived from petroleum, provided for in heading 2709 or 2710) may be treated as a foreign article, or as subject to duty, if—

"(i) the article is—

"(A) assembled or processed in whole of fabricated components that are a product of the United States, or

"(B) processed in whole of ingredients (other than water) that are a product of the United States,

in a beneficiary country; and

"(ii) neither the fabricated components, materials or ingredients, after exportation from the United States, nor the article itself, before importation into the United States, enters the commerce of any foreign country other than a beneficiary country.

As used in this paragraph, the term 'beneficiary country' means a country listed in general note 3(c)(v)(A).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) applies with respect to goods assembled or processed abroad that are entered on or after October 1, 1990.

SEC. 223. RULES OF ORIGIN FOR PRODUCTS OF BENEFICIARY COUNTRIES.

(a) ITC INVESTIGATION.—

(1) The United States International Trade Commission shall immediately undertake, pursuant to section 332(g) of the Tariff Act of 1930, an investigation for the purpose of assessing whether revised rules of origin for products of countries designated as beneficiary countries under the Caribbean Basin Economic Recovery Act are appropriate. If the Commission makes an affirmative assessment, it shall develop recommended revised rules of origin.

(2) The Commission shall submit a report on the results of the investigation under paragraph (1), together with the text of recommended rules, if any, to the President and the Congress no later than 9 months after the date of the enactment of this Act.

(b) LEGISLATIVE RECOMMENDATIONS.—If the President considers that the implementation of revised rules of origin for products of beneficiary countries would be appropriate, the President shall transmit to the Congress suggested legislation containing such rules of origin. In formulating such suggested legislation, the President shall—

(1) take into account the report and recommended rules submitted under subsection (a); and

(2) obtain the advice of—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974,

(B) the governments of the beneficiary countries,

(C) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and

(D) other interested parties.

SEC. 224. CUMULATION INVOLVING BENEFICIARY COUNTRY PRODUCTS UNDER THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS.

(a) MATERIAL INJURY.—Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv)) is amended to read as follows:

"(iv) CUMULATION.—

"(I) IN GENERAL.—For purposes of clauses (i) and (ii) and subject to subclause (II), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.

"(II) CBI EXCEPTION.—Solely for purposes of determining material injury, or the threat thereof, by reason of imports which are products of a country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701 et seq.), the volume and effect of imports from such country may only be cumulatively assessed with imports of like products from one or more other countries designated as beneficiary countries.".

(b) THREAT OF MATERIAL INJURY.—Section 771(7)(F)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)(iv)) is amended by striking out "(C)(v)," and inserting "(C)(iv)(II) and (v),".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) apply with respect to investigations (including investigation regarding products of Canadian origin) initiated under section 702 or 732 of the Tariff Act of 1930 on or after the date of the enactment of this Act.

SEC. 225. ETHYL ALCOHOL.

Section 7(b) of the Steel Trade Liberalization Program Implementation Act (19 U.S.C. 2703 note) is amended by striking out "calendar years 1990 and 1991." and inserting "calendar years after 1989.".

SEC. 226. CONFORMING AMENDMENT.

Section 503(b) of the Trade Act of 1974 (19 U.S.C. 2463(b)) is amended to read as follows:

"(b)(1) The duty free treatment provided under section 501 shall apply to any eligible article which is the growth, product, or manufacture of a beneficiary developing country if—

"(A) that article is imported directly from a beneficiary developing country into the customs territory of the United States; and

"(B) the sum of (i) the cost or value of the materials produced in the beneficiary developing country or any 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3), plus (ii) the direct costs of processing operations performed in such beneficiary developing country or such member countries is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

"(2) The Secretary of the Treasury, after consulting with the United States Trade Representative, shall prescribe such regulations as may be necessary to carry out this subsection, including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this title, an article must be wholly the growth, product, or manufacture of a beneficiary developing country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary developing country; but no article or material of a beneficiary developing country shall be eligible for such treatment by virtue of having merely undergone—

"(A) simple combining or packaging operations, or

"(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.".

SEC. 227. REQUIREMENT FOR INVESTMENT OF SECTION 936 FUNDS IN CARIBBEAN BASIN COUNTRIES.

(a) GENERAL RULE.—Paragraph (4) of section 936(d) of the Internal Revenue Code of 1986 (relating to investment in Caribbean

Basin countries) is amended by adding at the end thereof the following new subparagraph:

"(d) REQUIREMENT FOR INVESTMENT IN CARIBBEAN BASIN COUNTRIES.—

"(i) IN GENERAL.—For each calendar year, the government of Puerto Rico shall take such steps as may be necessary to ensure that at least $100,000,000 of qualified Caribbean Basin country investments are made during such calendar year.

"(ii) QUALIFIED CARIBBEAN BASIN COUNTRY INVESTMENT.—For purposes of clause (i), the term 'qualified Caribbean Basin country investment' means any investment if—

"(I) the income from such investment is treated as qualified possession source investment income by reason of subparagraph (A), and

"(II) such investment is not (directly or indirectly) a refinancing of a prior investment (whether or not such prior investment was a qualified Caribbean Basin country investment)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to calendar years after 1989.

SUBTITLE C—SCHOLARSHIP ASSISTANCE AND TOURISM PROMOTION

SEC. 231. COOPERATIVE PUBLIC AND PRIVATE SECTOR PROGRAM FOR PROVIDING SCHOLARSHIPS TO STUDENTS FROM THE CARIBBEAN AND CENTRAL AMERICA.

(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage the establishment of partnerships between the State governments, universities, community colleges, and businesses to support scholarships for talented socially and economically disadvantaged students from eligible countries in the Caribbean and Central America to study in the United States in order to—

(1) improve the diversity and quality of educational opportunities for such students;

(2) assist the development efforts of eligible countries by providing training and educational assistance to persons who can help address the social and economic needs of these countries;

(3) expand opportunities for cross-cultural studies and exchanges and improve the exchange of understanding and principles of democracy;

(4) promote positive and productive relationships between the United States and its neighbor countries in the Caribbean and Central American regions;

(5) give added visibility and focus to the "scholarship diplomacy" efforts of the United States Government by leveraging the monies available for this purpose through the development of partnerships among Federal, State, and local governments and the business and academic communities; and

(6) promote community involvement with the scholarship program as a tool for broadening and strengthening the "American experience" for foreign students.

(b) ESTABLISHMENT OF SCHOLARSHIP PROGRAM.—The Administrator of the Agency for International Development shall establish and administer a program of scholarship assistance, in cooperation with State governments, universities, community colleges, and businesses, to provide scholarships to enable socially and economically disadvantaged students from eligible countries in the Caribbean and Central America to study in the United States.

(c) GRANTS TO STATES.—In carrying out this section, the Administrator may make grants to States to provide scholarship assistance for undergraduate degree programs and for training programs of one year or longer in study areas related to the critical development needs of the students' respective countries.

(d) AGREEMENT WITH STATES.—The Administrator and each participating State shall agree on a program regarding the educational opportunities available within the State, the selection and assignment of scholarship recipients, and related issues. To the maximum extent practicable, each State shall be given flexibility in designing its program.

(e) FEDERAL SHARE.—The Federal share for each year for which a State receives payments under this section shall be not less than 50 percent.

(f) NON-FEDERAL SHARE.—The non-Federal share of payments under this section may be in cash, including the waiver of tuition or the offering of in-State tuition or housing waivers or subsidies, or in-kind fairly evaluated, including the provision of books or supplies.

(g) FORGIVENESS OF SCHOLARSHIP ASSISTANCE.—The obligation of any recipient to reimburse any entity for any or all scholarship assistance provided under this section shall be forgiven upon the recipient's prompt return to his or her country of domicile for a period which is at least one year longer than the period spent studying in the United States with scholarship assistance.

(h) PRIVATE SECTOR PARTICIPATION.—To the maximum extent practicable, each participating State shall enlist the assistance of the private sector to enable the State to meet the non-Federal share of payments under this section. Wherever appropriate, each participating State shall encourage the private sector to offer internships or other opportunities consistent with the purposes of this section to students receiving scholarships under this section.

(i) FUNDING.—Any funds used in carrying out this section shall be derived from funds allocated for Latin American and Caribbean regional programs under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 and following; relating to the economic support fund).

(j) DEFINITIONS.—As used in this section—

(1) The term "eligible country" means any country—

(A) which is receiving assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) or chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund); and

(B) which is designated by the President as a beneficiary country pursuant to the Caribbean Basin Economic Recovery Act.

(2) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

SEC. 232. PROMOTION OF TOURISM.

(a) CONGRESSIONAL FINDING.—The Congress finds that the tourism industry must be recognized as a central element in the economic development and political stability of the Caribbean Basin region because of the potential that the industry has for increasing employment and foreign exchange earnings, establishing important linkages with other related sectors, and having a positive complementary effect on trade with the United States.

(b) FEDERAL AGENCY PRIORITY.—It is the sense of the Congress that increased tourism and related activities should be developed in the Caribbean Basin region as a central part of the Caribbean Basin Initiative program and, to that end, the appropriate agencies of the United States Government should assign a high priority to projects that promote the tourism industry in the Caribbean Basin.

(c) STUDY.—The Secretary of Commerce shall complete the study begun in 1986 regarding tourism development strategies for the Caribbean Basin region. The study shall include—

(1) information on the mutual benefits received by the United States and the Caribbean Basin economies as a result of tourist activity in the area; and

(2) proposals for developing increased linkages between the tourism industry and local industries in the region such as the agrobusiness.

SEC. 233. PILOT PRECLEARANCE PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Subject to subsection (b), the Commissioner of Customs shall carry out, during fiscal years 1991 and 1992, preclearance operations at a facility of the United States Customs Service in a country within the Caribbean Basin which the Commissioner of Customs considers appropriate for testing the extent to which the availability of preclearance operations can assist in the development of tourism.

(b) RESTRICTIONS REGARDING PROGRAM.—

(1) The Commissioner of Customs may not consider a country within the Caribbean Basin to be appropriate for the testing referred to in subsection (a) if preclearance operations are currently carried out by the United States Customs Service in that country.

(2) Preclearance operations may not be commenced in the country selected for testing under subsection (a) unless the Commissioner of Customs and the Commissioner of Immigration and Naturalization jointly certify that—

(A) there exists a bilateral agreement between the United States Government and the government of such country which protects the interests of the United States and affords diplomatic protection to United States employees working at the preclearance location;

(B) the facilities at the preclearance location conform to Federal Inspection Services standards and are suitable for the duties to be performed therein;

(C) there is adequate security around the structure used for the reception of international arrivals;

(D) the government of such country grants the United States Customs Service and the United States Immigration and Naturalization Service appropriate search, seizure, and arrest authority; and

(E) United States employees and their families will not be subject to fear of reprisal, acts of terrorism, and threats of intimidation.

(3) In determining the country in which to establish the operation described in paragraph (1), the Commissioner of Customs and the Commissioner of Immigration and Naturalization shall first determine the viability of establishing such operations in either Aruba or Jamaica. If the Commissioners determine, after full consultation with the governments of such countries, that it is not viable to establish pre-clearance operations in either Aruba or Jamaica, they shall so report to the Committee on Finance of the Senate and the Committee on Ways and

Means of the House of Representatives, including an explanation of how this determination was reached. Such report shall be submitted to those Committees within six months after the date of the enactment of this Act. Following the submission of such a report, the Commissioners shall take all necessary steps, consistent with the requirements of this section, to establish such operations in another country.

(c) REPORT.—As soon as practicable after September 30, 1992, the Commissioner of Customs shall submit to the Congress a report regarding the preclearance operations program carried out under subsection (a). The report shall include—

(1) a summary of the preclearance operations, including the number of individuals processed, any administrative problems encountered, and cost of the operations;

(2) an evaluation of the extent to which the preclearance operations contributed to—

(A) the stimulation of the tourism industry of the country concerned, and

(B) expedited customs processing at United States ports of entry;

(3) the opinion of the Commissioner of Customs regarding the efficacy of extending preclearance operations to other countries within the Caribbean Basin that are developing tourism industries, and if the opinion is affirmative, the identity of those countries to which such operations should be extended and the estimated costs and results of such extensions; and

(4) such other matters that the Commissioner of Customs considers relevant.

SUBTITLE D—MISCELLANEOUS PROVISIONS

SEC. 241. TRADE BENEFITS FOR NICARAGUA.

Notwithstanding any other provision of law, the President is authorized to designate Nicaragua as a beneficiary developing country for the purpose of title V of the Trade Act of 1974, as amended, and as a beneficiary country under the Caribbean Basin Economic Recovery Act, and any such designation may remain effective for the duration of the calendar year 1990.

SEC. 242. AGRICULTURAL INFRASTRUCTURE SUPPORT.

It is the sense of Congress that in order to facilitate trade with, and the economic development of, the countries designated as beneficiary countries under the Caribbean Basin Economic Recovery Act, the Secretary of Agriculture should, in consultation with the Agribusiness Promotion Council, coordinate with the Agency for International Development the development of programs to encourage improvements in the transportation and cargo handling infrastructure in these countries for the purpose of improving agricultural trade between these countries and the United States. Such programs should focus on improving distribution of agricultural commodities and products in these countries, and the phytosanitary institutions, quarantine capabilities, and pesticide regulations of these countries regarding agricultural commodities and products.

SEC. 243. EXTENSION OF TRADE BENEFITS TO THE ANDEAN REGION.

(a) FINDINGS.—The Congress finds that:

(1) United States antinarcotics policy places a high priority on assisting the nations of the Andean region of South America, the source of 100 percent of the world's supply of cocaine.

(2) The President and Congress have recognized that United States trade and economic policies play an important role in the overall United States antidrug strategy in the Andes.

(3) The extension of special trade preferences for articles from the Andean region would help revitalize the national economies of the Andes and further United States antinarcotics policy in the region.

(b) SENSE OF CONGRESS.—The Congress urges the President to—

(1) review the merits of extending the benefits provided under the Caribbean Basin Economic Recovery Act to the Andean region; and

(2) continue to explore additional mechanisms to expand trade opportunities for the Andean region, and report to Congress in a regular and timely fashion on the result of this review.

TITLE III—TARIFF PROVISIONS

SEC. 301. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a chapter, subchapter, note, addition U.S. note, heading, subheading, or other provision, the reference shall be considered to be made to a chapter, subchapter, note, additional U.S note, heading, subheading, or other provision of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007).

SUBTITLE A—TEMPORARY SUSPENSIONS AND REDUCTIONS IN DUTIES

PART 1—NEW DUTY SUSPENSIONS AND TEMPORARY REDUCTION

SEC. 311. CASTOR OIL AND ITS FRACTIONS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.15.15 Castor oil and its fractions (provided for in subheading 1515.30.20 or 1515.30.40)	Free	No change	No change	On or before 12/31/92

SEC. 312. CERTAIN JAMS, PASTES AND PUREES, AND FRUIT JELLIES.

(a) Subchapter 11 of chapter 99 is amended—

(1) by adding at the end of the U.S. notes thereto the following:

"10. The column 1 rate of duty for goods entered under heading 9902.20.07 is a rate that would have applied for such goods if they had been entered at the column 1 rate of duty under the former Tariff Schedules of the United States (19 U.S.C. 1202) on December 31, 1988, unless otherwise proclaimed by the President before December 31, 1992.".

(2) by inserting in numerical sequence the follwing new Heading:

"9902.20.07 Jams, pastes, and purees, and fruit jellies, the foregoing of peaches, apricots, raspberries, or cherries (provided for in subheading 2007.999	The rate prescribed in U.S. note 10 to this subchapter.	No change	No change	On or before 12/31/92"

(b) If before December 31, 1992, the President determines that approprate trade concessions, including the correct of errors and oversights in foreign tariff schedules, have been obtained, the President may proclaim such modifications to the column 1 rates of duty on jams, pastes, and purees, and fruit jellies falling under subheading 2007.99, as are necessary and appropriate to restore with respect to such goods the tariff treatment that applied under the former Tariff Schedules of the United States (19 U.S.C. 1202) of December 31, 1988.

SEC. 313. MERCURIC OXIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.28.25 Mercuric oxide (provided for in subheading 2825.90.60)	Free	No change	No change	On or before 12/31/92".

SEC. 314. 1,5-NAPHTHALENE DIISOCYANATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.07 1,5-Naphthalene diisocyanate (provided for in subheading 2929.90.10)	Free	No change	Free	On or before 12/31/92".

SEC. 315. 2,3,6-TRIMETHYLPHENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.08	2,3,6-Trimethylphenol (provided for in subheading 2907.29.30)	Free	No change	No change	On or before 12/31/92".

SEC. 316. p-HYDROXYBENZALDEHYDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.09	p-Hydroxybenzaldehyde (provided for in subheading 2912.49.20)	Free	No change	No change	On or before 12/31/92".

SEC. 317. DMBS AND HPBA.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.30.10	4.4-Isopropylidenedicy-clohexanol (CAS No. 80-04-6) (provided for in subheading 2906.19.00)	Free	No change	No change	On or before 12/31/92"; and
"9902.30.83	Bis-O-[(4-methylphenyl)methylene]-D-glucitol (CAS Nos. 54686-97-4 and 58956-31-3) (dimethylbenzylidene sorbitol) (provided for in subheading 2932.90.41)	Free	No change	No change	On or before 12/31/92".

SEC. 318. MBEP.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.11	2-(1,1-Dimethylethyl)-4-ethylphenol (CAS No. 96-70-8) (provided for in 2907.19.50)	Free	No change	No change	On or before 12/31/92".

SEC. 319. 6-t-BUTYL-2,4-XYLENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.12	6-t-Butyl-2,4-xylenol (provided for in subheading 2907.19.50)	Free	No change	No change	On or before 12/31/92".

SEC. 320. 4,4'-METHYLENEBIS(2,6-DIMETHYLPHENYLCYANATE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.13	4,4'-Methylenebis-(2,6-dimethyl-phenylcyanate) (provided for in subheading 2907.29.50)	Free	No change	No change	On or before 12/31/92".

SEC. 321. NEVILLE-WINTER ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.14	1-Naphthol-4-sulfonic acid and its monosodium salt (CAS Nos. 84-87-7 and 6099-57-6) (provided for in subheading 2908.20.10)	Free	No change	No change	On or before 12/31/92".

SEC. 322. 7-HYDROXY-1,3-NAPHTHALENEDISULFONIC ACID, DIPO-TASSIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.15	7-Hydroxy-1,3-naphthalenedisulfonic acid, dipotassium salt (CAS No. 842-18-2) (provided for in subheading 2908.20.50)	Free	No change	No change	On or before 12/31/92".

SEC. 323. 7-ACETYL-1,1,3,4,4,6-HEXAMETHYLTETRAHYDRO-NAPHTHALENE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.16	7-Acetyl-1,1,3,4,4,6-hexamethyltetrahy-dronaphthalene (provided for in subheading 2914.30.00)	Free	No change	No change	On or before 12/31/92".

SEC. 324. ANTHRAQUINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.17 Anthraquinone (provided for in subheading 2914.61.00)	Free	No change	No change	On or before 12/31/92."

SEC. 325. 1,4-DIHYDROXYANTHRAQUINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.18 1,4-Dihydroxy-anthraquiance (CAS No. 81-64-1) (provided for in subheading 2914.69.50)	Free	No change	No change	On or before 12/31/92)"

SEC. 326. 2-ETHYLANTHRAQUINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.19 2-Ethylantraquinone (provided for in subheading 2914.69.50)	Free	No change	No change	On or before 12-31/92".

SEC. 327. CHLORHEXANONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.20 1-Chloro-5-hexanone (CAS No. 102226-30-9) (provided for in subheading 2914.70.50	Free	No change	No change	On or before 12/31/92."

SEC. 328. 3-AMINOPROPANOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new subheading:

"9902.30.21 3-Aminopropanol (CAS No. 156-87-6) (provided for in subheading 2922.19.50)	Free	No change	No change	On or before 12/31/92."

SEC. 329. NAPHTHALIC ACID ANHYDRIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.22 Naphthalic acid anhydride (provided for in subheading 2917.39.10)	Free	No change	No change	On or before 12/31/92".

SEC. 330. DIFLUNISAL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.23 2',4'-Difluoro-4-hydroxy-3-biphenyl-carboxylic acid (Diflunisal) (provided for in subheading 2918.29.40)	Free	No change	No Change.	On or before 12/31/92".

SEC. 331. DIPHENOLIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.24 4,4-Bis(4-hydroxyphenyl)-pentanoic acid (CAS No. 126-00-1) (provided for in subheading 2918.29.40)	Free	No change	No change	On or before 12/31/92".

SEC. 332.6-HYDROXY-2-NAPHTHOIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.25 6-Hydroxy-2-naphthoic acid (CAS No. 16712-64-4) (provided for in subheading 2918.29.50)	Free	No change	No change	On or before 12/31/92".

SEC. 333. METHYL AND ETHYL PARATHION.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.26 0,0-Diethyl-0-(4-nitrophenyl) phosphorothioate and 0,0-Dimethyl-0-(4-nitrophenyl) phosphorothioate (provided for in subheading 2920.10.20)	Free	No change	No change	On or before 12/31/92".

SEC. 334. N-METHYLANILINE AND M-CHLOROANILINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.30.27	N-Methylaniline (provided for in subheading 2921.42.20)	Free	No change	No change	On or before 12/31/92; and
9902.30.28	m-Chloroaniline (provided for in subheading 2921.42.50)	Free	No change	No change	On or before 12/31/92".

SEC. 335. 4,4'-METHYLENEBIS(3-CHLORO-2,6-DIETHYLANILINE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.29	4,4'-Methylenebis-(3-chloro-2,6-diethylaniline) (Provided for in subheading 2921.42.30)	Free	No change	No change	On or before 12/31/92".

SEC. 336. 4,4'-METHYLENE-BIS(2,6-DIISOPROPYLANILINE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.30	4,4'-Methylenebis-(2,6-diisopropylaniline) (provided for in subheading 2921.42.50)	Free	No change	No change	On or before 12/31/92".

SEC. 337. 2-CHLORO-4-NITROANILINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.31	2-Chloro-4-nitroaniline (CAS No. 121-87-9) (provided for in subheading 2921.42.50)	Free	No change	No change	On or before 12/31/92".

SEC. 338. 4-CHLORO-α,α,α-TRIFLUORO-O-TOLUIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.32	4-Chloro-α,α,α-trifluoro-o-toluidine (CAS No. 445-03-4) (provided for in subheading 2921.42.10)	Free	No change	No change	On or before 12/31/92".

SEC. 339. TRIFLUOROMETHYLANILINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.33	3-(Trifluoromethyl)-aniline (CAS No. 98-16-8) (m-Aminobenzotrifluoride) (provided for in subheading 2921.43.50)	Free	No change	No change	On or before 12/31/92".

SEC. 340. 5-AMINO-2-NAPHTHALENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.34	5-Amino-2-naphthalenesulfonic acid (CAS No. 119-79-9) (provided for in subheading 2921.45.10)	Free	No change	No change	On or before 12/31/92".

SEC. 341. 7-AMINO-1,3-NAPHTHALENEDISULFONIC ACID, MONOPOTASSIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.35	7-Amino-1,3-naphthalenedisulfonic acid, monopotassium salt (CAS No. 842-15-9) (provided for in subheading 2921.45.10)	Free	No change	No change	On or before 12/31/92".

SEC. 342. 4-AMINO-1-NAPHTHALENESULFONIC ACID, SODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.36	4-Amino-1-naphthalenesulfonic acid, sodium salt (CAS No. 130-13-2) (provided for in subheading 2921.45.20)	Free	No change	No change	On or before 12/31/92".

SEC. 343. 8-AMINO-2-NAPHTHALENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.37 8-Amino-2-naphthalenesulfonic acid (CAS No. 119-28-8) (provided for in subheading 2921.45.20)	Free	No change	No change	On or before 12/31/92".

SEC. 344. MIXTURES OF 5- AND 8-AMINO-2-NAPHTHALENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.38 Mixtures of 5- and 8-amino-2-naphthalenesulfonic acid (CAS No. 119-28-8) (provided for in subheading 2921.45.30)	Free	No change	No change	On or before 12/31/92".

SEC. 345. 1-NAPHTHYLAMINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.39 1-Naphthylamine (CAS No. 134-32-7) (provided for in subheading 2921.45.50)	Free	No change	No change	On or before 12/31/92".

SEC. 346. 6-AMINO-2-NAPHTHALENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.40 6-Amino-2-naphthalenesulfonic acid (CAS No. 93-00-5) (provided for in subheading 2921.45.50)	Free	No change	No change	On or before 12/31/92".

SEC. 347. BROENNER'S ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.41 2-Naphthylamine-6-sulfonic acid (CAS No. 93-00-5) (provided for in subheading 2921.45.50)	Free	No change	No change	On or before 12/31/92".

SEC. 348. D SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.42 2-Naphthylamine-1,5-disulfonic acid and its monosodium salt (CAS Nos. 117-62-4 and 19532-03-07) (provided for in subheading 2921.45.50)	Free	No change	No change	On or before 12/31/92".

SEC. 349. 2,4-DIAMINOBENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.43 2,4-Diaminobenzenesulfonic acid (CAS No. 88-63-1) (provided for in subheading 2921.51.50)	Free	No change	No change	On or before 12/31/92".

SEC. 350. PARAMINE ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.44 1,4-Diaminobenzene-2-sulfonic acid (CAS No. 88-45-9) (provided for in subheading 2921.59.50)	Free	No change	No change	On or before 12/31/92".

SEC. 351. TAMOXIFEN CITRATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.45 Tamoxifen citrate (provided for in subheading 2922.19.10)	Free	No change	No change	On or before 12/31/92".

SEC. 352. K-ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.46 1-Amino-8-hydroxy-4,6-naphthalenedisulfonic acid, monosodium salt (CAS No. 85294-32-2) (provided for in subheading 2922.21.20)	Free	No change	No change	On or before 12/31/92".

SEC. 353. O-ANISIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.47	1-Amino-2-methoxybenzene (o-Anisidine) (CAS No. 90-04-0) (provided for in subheading 2922.22.10)	Free	No change	No change	On or before 12/31/92".

SEC. 354. 2-AMINO-4-CHLOROPHENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.48	2-Amino-4-chlorophenol (CAS No. 95-85-2) (provided for in subheading 2922.29.10)	Free	No change	No change	On or before 12/31/92".

SEC. 355. ORNITHINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.49	L-Ornithine, ethyl ester (L-2,5-Diaminopentanoic acid, ethyl ester) (CAS No. 84772-29-2) (provided for in subheading 2922.49.50)	Free	No change	No change	On or before 12/31/92".

SEC. 356. CLENTIAZIM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.50	(+)-cis-(2s,3s)-3-(Acetoxy)-8-chloro-5-[2-(dimethylamino)-ethyl]-2, 3-dihydro-(4-methoxyphenyl)-1,5-benzothiazepin-4(5H)one maleate (provided for in subheading 2934.90.25)	Free	No change	No change	On or before 12/31/92".

SEC. 357.7-ANILINO-4-HYDROXY-2-NAPHTHALENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.51	7-Anilino-4-hydroxy-2-naphthalenesulfonic acid (CAS No. 119-40-4) (provided for in subheading 2922.29.50)	Free	No change	No change	On or before 12/31/92".

SEC. 358. 1,4-DIAMINO-2,3-DIHYDROANTHRAQUINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.52	1,4-Diamino-2,3-dihydroanthraquinone (CAS No. 81-63-0) (provided for in subheading 2922.30.30)	Free	No change	No change	On or before 12/31/92".

SEC. 359. TFA LYS PRO IN FREE BASE AND TOSYL SALT FORMS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.53	Trifluoroacetyl-L-lysine-L-proline in free base and tosyl salt forms (provided for in subheadings 2933.90.50 and 2933.90.37, respectively)	Free	No change	No change	On or before 12/31/92".

SEC. 360. 4-FLUORO-3-PHENOXYBENZALDEHYDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.54	4-Fluoro-3-phenoxybenzaldehyde (provided for in subheading 2913.00.10)	Free	No change	No change	On or before 12/31/92".

SEC. 361.1-AMINO-2-BROMO-4-HYDROXYANTHRAQUINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.55	1-Amino-2-bromo-4-hydroxyanthraquinone (CAS No. 116-82-5) (provided for in subheading 2922.50.40)	Free	No change	No change	On or before 12/31/92".

SEC. 362. ADC-6.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.56	3-Amino-2-(1-hydroxethyl)pentanedioic acid, 5-methyl ester (provided for in subheading 2922.50.50)	Free	No change	No change	On or before 12/31/92".

SEC. 363. L-CARNITINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.57	L-Carnitine (provided for in subheading 2923.90.00)	Free	No change	No change	On or before 12/31/92".

SEC. 364. QUIZALOFOP-ETHYL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.58	2-[4-[(6-Chloro-2-quinoxalinyl)oxy]-phenoxy]propionic acid, ethyl ester (Quizalofop-ethyl) (provided for in subheading 2933.90.20)	Free	No change	No change	On or before 12/31/92".

SEC. 365. ACETOACET-PARA-TOLUIDIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.59	Acetoacet-para-toluidide (provided for in subheading 2924.29.09)	Free	No change	No change	On or before 12/31/92".

SEC. 66. NAPHTHOL AS TYPES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.60	3-Hydroxy-2-naphthanilide (CAS No. 92-77-3); 3-Hydroxy-2-naphtho-o-toluidide (CAS No. 135-61-5); 3-Hydroxy-2-naphtho-o-anisidide (CAS No. 135-62-6); 3-Hydroxy-2-naphtho-o-phenetidide (CAS No. 92-74-0); 3-Hydroxy-2-naphtho-4-chloro-2,5-dimethoxyanilide (CAS No. 4273-92-1); and N,N'-Bis(acetoacetyl-o-toluidine) (CAS No. 912-96-3) (provided for in subheading 2924.29.14)	Free	No change	No change	On or before 12/31/92".

SEC. 367. DILTIAZEM HYDROCHLORIDE, AND SUSTAINED RELEASE DILTIAZEM HYDROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.61	Diltiazem hydrochloride (provided for in subheading 2934.90.25, 3003.90.00, or 3004.90.60)	Free	No change	No change	On or before 12/31/92".

SEC. 368. ANIS BASE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.62	3-Aminomethoxybenzanilide (provided for in subheading 2924.29.25)	Free	No change	No change	On or before 12/31/92".

SEC. 369. ACETOACETSULFANILIC ACID, POTASSIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.63	Acetoacetsulfanilic acid, potassium salt (provided for in subheading 2924.29.44)	Free	No change	No change	On or before 12/31/92".

SEC. 370. IOHEXOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.64	N,N'-Bis(2,3-dihydroxypropyl)-5-[N-(2,3-dihydroxypropyl)-acetamido]-2,4,6-triiodoisophthalamide (Iohexol) (provided for in subheading 2924.29.44)	Free	No change	No change	On or before 9/30/91".

SEC. 371. IOPAMIDOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.65	Iopamidol (provided for in subheading 2924.29.44	Free	No change	No change	On or before 9/30/91".

SEC. 372. IOXAGLATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.66	N-(2-Hydroxyethyl)2,4,6-triiodo-5-[2(2,4,6-triiodo-3-(N-methylacetamido)-5-(methylcarbamoyl)benzamido)acetamido]-isophthalamic acid (Ioxaglic acid) (provided for in subheading 2924.29.44)	Free	No change	No change	On or before 9/30/91".

SEC. 373.4-AMINOACETANILIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.67	4-Aminoscetanilide (CAS No. 122-80-5) (provided for in subheading 2924.29.45)	Free	No change	No change	On or before 12/31/92".

SEC. 374. D-CARBOXAMIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.68	2,2-Dimethylcyclo-propylcarboxamide (provided for in subheading 2924.29.50)	Free	No change	No change	On or before 12/31/92".

SEC. 375. 2,6-DICHLOROBENZONITRILE.

(a) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.69	2,6-Dichlorobenzonitrile (provided for in subheading 2926.90.10)	Free	No change	No change	On or before 12/31/92".

(b) WITH INERTS.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.38.14	Mixtures of 2,6-dichlorobenzonitrile and inerts (provided for in subheading 3808.30.10)	Free	No change	No change	On or before 12/31/92".

SEC. 376. OCTADECYL ISOCYANATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.70	Octadecyl isocyanate (provided for in subheading 2929.10.40)	Free	No change	No change	On or before 12/31/92".

SEC. 377. 1,6-HEXAMETHYLENE DIISOCYANATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.71	1,6-Hexamethylene diisocyanate (provided for in subheading 2929.10.50)	7.9%	No change (E, IL) Free (CA).	No change	On or before 12/31/92".

SEC. 378. 1,1-ETHYLIDENEBIS(PHENYL-4-CYANATE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.72	1,1-Ethylidenebis-(phenyl-4-cyanate) (provided for in subheading 2929.90.10)	Free	No change	No change	On or before 12/31/92".

SEC. 379. 2,2'-BIS(4-CYANATOPHENYL-1,1,1,3,3,3-HEXAFLUOROPROPANE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.73	2,2'-Bis(4-cyanatophenyl)-1,1,1,3,3,3-hexafluoropropane (CAS No. 32728-27-1) (provided for in subheading 2929.90.10)	Free	No change	No change	On or before 12/31/92".

SEC. 380. 4,4'-THIODIPHENYL CYANATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.74	4,4'-Thiodiphenyl cyanate (provided for in subheading 2930.90.20)	Free	No change	No change	On or before 12/31/92".

SEC. 381. 2-[(4-AMINOPHENYL)SULFONYL]ETHANOL, HYDROGEN SULFATE ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.75	2-[(4-Aminophenyl)-sulfonyl]ethanol, hydrogen sulfate ester (CAS No. 2494-89-5) (provided for in subheading 2930.90.20)	Free	No change	No change	On or before 12/31/92".

SEC. 382. DIMETHOATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.76	0,0-Dimethyl-S-methylcarbamoylmethyl phosphorodithioate (provided for in subheading 2930.90.40)	Free	No change	No change	On or before 12/31/92".

SEC. 383. DIPHENYLDICHLOROSILANE AND PHENYLTRICHLOROSILANE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.77	Diphenyldichlorosilane and phenyltrichlorosilane (provided for in subheading 2931.00.40)	Free	No change	No change	On or before 12/31/92".

SEC. 384. BENDIOCARB.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.78	2,2-Dimethyl-1,3-benzodioxol-4-ylmethylcarbamate (Bendiocarb) (provided for in subheading 2932.90.10)	Free	No change	No change	On or before 12/31/92".

SEC. 385. RHODAMINE 2C BASE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.79	Rhodamine 2C base (CAS No. 41382-37-0) (provided for in subheading 2932.90.45)	Free	No change	No change	On or before 12/31/92".

SEC. 386. 2,5-DICHLORO-4-3-METHYL-5-OXO-2-PYRAZOLIN-1-YL)-BENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.80	2,5-Dichloro-4-(3-methyl-5-oxo-2-pyrazolin-1-yl)-benzenesulfonic acid (CAS No. 84-57-1) (provided for in subheading 2933.19.42)	Free	No change	No change	On or before 12/31/92".

SEC. 387. CIPROFLOXACIN HYDROCHLORIDE, CIPROFLOXACIN, AND NOMODIPINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.30.81	Nimodipine (provided for in subheading 2933.39.35)	Free	No change	No change	On or before 12/31/92
"9902.30.92	Ciprofloxacin and its hydrochloride salt (provided for in subheading 2933.59.27)	Free	No change	No change	On or before 12/31/92".

SEC. 388. BPIP.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.83	N,N'-Bis(2,2,6,6-tetramethyl-4-piperadinyl)-1,6-hexanediamine (CAS No. 612-55-7) (provided for in subheading 2933.39.47)	Free	No change	No change	On or before 12/31/92".

SEC. 389. FENOFIBRATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.84	2-[4-(4-Chlorobenzoyl)phenoxy]-2-methylpropanoic acid, isopropyl ester (Fenofibrate) (provided for in subheading 3004.90.60)	Free	No change	No change	On or before 12/31/92".

SEC. 390. NORFLOXACIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.85	1-Ethyl-6-fluoro-1,4-dihydro-4-oxo-7-(1-piperazinyl)-3-quinolinecarboxylic acid (Norfloxacin) (provided for in subheading 2933.59.27)	Free	No change	No change	On or before 12/31/92".

SEC. 391. 6-METHYLURACIL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.86	6-Methyluracil (provided for in subheading 2933.59.50)	Free	No change	No change	On or before 12/31/92".

SEC. 392. 2,4-DIAMINO-6-PHENYL-1,3,5-TRIAZINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.87	2,4-Diamino-6-phenyl-1,3,5-triazine (provided for in subheading 2933.69.00)	Free	No change	No change	On or before 12/31/92".

SEC. 393. AMILORIDE HYDROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.88	N-Amidino-3,5-diamino-6-chloryrazinecarboxamide, monohydrochloride dihydrate (Amiloride hydrochloride) (provided for in subheading 2933.90.36)	Free	No change	No change	On or before 12/31/92".

SEC. 394. TRIMETHYL BASE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.89	1,3,3,-Trimethyl-2-methyleneindoline (CAS No. 118-12-7) (provided for in subheading 2933.90.39)	Free	No change	No change	On or before 12/31/92".

SEC. 395. ALA PRO.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.90	L-Alanyl-L-proline (provided for in subheading 2933.90.50)	Free	No change	No change	On or before 12/31/92".

SEC. 396. THIOTHIAMINE HYDROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.91	Thiothiamine hydrochloride (CAS No. 2443-50-7) (provided for in subheading 293.10.10 or 2934.10.50)	Free	No change	No change	On or before 12/31/92".

SEC. 397. ETHYL 2-(2-AMINOTHIAZOL-4-YL)-2-HYDROXYIMINOACETATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.92	Ethyl 2-(2-aminothiazol-4-yl)-2-hydroxyiminoacetate (provided for in subheading 2934.10.50)	Free	No change	No change	On or before 12/31/92".

SEC. 398. ETHYL 2-(2-AMINOTHIAZOL-4-YL)-2-METHOXYIMINOACETATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.93	Ethyl 2-(2-aminothiazol-4-yl)-2-methoxyiminoacetate (provided for in subheading 2934.10.50)	Free	No change	No change	On or before 12/31/92".

SEC. 399. 7-NITRONAPHTH[1,2]-OXADIAZOLE-5-SULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.94	7-Nitronaphth[1,2]-oxadiazole-5-sulfonic acid (CAS No. 84-91-3) (provided for in subheading 2934.90.06)	Free	No change	No change	On or before 12/31/92".

SEC. 400. CEFTAZIDIME TERTIARY BUTYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.95	(6R,7R)-7-[(Z)-2-(2-Aminothiazol-4-yl)-2-[(2-text-butoxycarbonyl)-prop-2-oxyimino]-acetamido]-3-(1-pyridinium-methyl)ceph-3-em-4-carboxylate (provided for in subhearing 2934.90.25)	Free	No change	No change	On or before 12/31/92".

SEC. 401. CHEMICAL INTERMEDIATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.96	(6R,7R)-7-amino-3-chloro-8-oxa-5-thia-1-azabicyclo(4.2.0)oct-2-ene-2-carboxylic acid, (4-nitro-phenyl)-methyl ester (provided for in subhearing 2934.90.40)	Free	No change	No change	On or before 12/31/92".

SEC. 402. SULFACHLOROPYRIDAZINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.97	Sulfachloropyridazine (provided for in subheading 2935.00.39)	Free	No change	No change	On or before 12/31/92".

SEC. 403. MIXED ORTHO/PARA-TOLUENESULFONAMIDES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.98	Mixed ortho/para-toluenesulfonamides (provided for in subheading 2935.00.47)	Free	No change	No change	On or before 12/31/92".

SEC. 404. HERBICIDE INTERMEDIATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.30.99	N-(2,6-Dichloro-3-methylphenyl)-5-amino-1,3,4-triazole-2-sulfonamide (provided for in subheading 2935.00.47)	Free	No change	No change	On or before 12/31/92".

SEC. 405. N-(4-(((2-AMINO-5-FORMYL-1,4,5,6,7,8-HEXAHYDRO-4-OXO-6-PTERIDINYL)METHYL)AMINO)BENZOYL)-L-GLUTAMIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.00	N-(4-(((2-Amino-5-formyl-1,4,5,6,7,8-hexahydro-4-oxo-6-pteridinyl)-methyl)amino)benzoyl)-L-glutamic acid (provided for in subheading 2936.29.20)	Free	No change	No change	On or before 12/31/92".

SEC. 406. THEOBROMINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.01	Theobromine (provided for in subheading 2939.90.10 or 2939.90.50)	Free	No change	No change	On or before 12/31/92".

SEC. 407. (6R-(6a,7B(Z)))-7-(((2-AMINO-4-THIAZOLYL)((CAR-BOXYMETHOXY)IMINO)(ACETYL)AMINO)-3-ETHENYL-8-OXO-5-THIA-1-AZABICYCLO(4.2.0)OCT-2-ENE-2-CARBOXYLIC ACID (CEFIXIME).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.02	(6R-(6a,7B(Z)))-7-(((2-Amino-4-thiazolyl)((carboxy-methoxy)imino) acetyl)amino)-3-ethenyl-8-oxo-5-thia-1-azabicyclo(4.2.0)-oct-2-ene-2-carboxylic acid (Cefixime) (provided for in subheading 2941.90.50)	Free	No change	No change	On or before 12/31/92".

SEC. 408. TEICOPLANIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.03	Teicoplanin (provided for in subheading 3003.20.00 or 3004.20.00)	Free	No change	No change	On or before 12/31/92".

SEC. 409. CARFENTANIL CITRATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.04	Carfentanil citrate (provided for in subheading 3004.90.60)	Free	No change	No change	On or before 12/31/92".

SEC. 410. CALCIUM ACETYLSALICYLATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.05	Calcium acetylsalicylate, in bulk or put up in measured doses or in forms or packings for retail sale (provided for in subheadings 2918.22.50 and 3004.90.60)	Free	No change	No change	On or before 12/31/92".

SEC. 411A. SUCRALFATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.06	Sucralfate (provided for in subheading 2940.00.00)	Free	No change	No change	On or before 12/31/92".

SEC. 411B. 1-[1-((4-CHLORO-2-(TRIFLUOROMETHYL)PHENYL) IMINO)-2-PROPOXYETHYL]-1-H-IMIDAZOLE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.07	1-[1-((4-Chloro-2-(trifluoromethyl)-phenyl)imino)-2-propoxyethyl]-1-H-imidazole (provided for in subheading 2933.29.30)	Free	No change	No change	On or before 12/31/92".

SEC. 411C. COPPER ACETATE MONOHYDRATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.08	Cupric acetate monohydrate (provided for in subheading 2915.29.00)	Free	No change	No change	On or before 12/31/92".

SEC. 411D. 0,0-DIMETHYL-S-[(4-OXO-1,2,3-BENZOTRIAZIN-3-(4H)-YL)METHYL]PHOSPHORODITHIOATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.09	0,0-Dimethyl-S-[(4-oxo-1,2,3-benzotriazin-3-(4H)-yl)methyl]phosphorodithioate (provided for in subheading 2933.90.18	Free	No change	No change	On or before 12/31/92".

SEC. 412. p-TOLUALDEHYDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.31.10	p-Tolualdehyde (provided for in subheading 2912.29.50)	Free	No change	No change	On or before 12/31/92".

SEC. 413. CERTAIN ACID BLACK POWER AND PRESSCAKE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.06	Acid black 210 powder and presscake (CAS No. 112484-44-3) (provided for in subheading 3204.12.40)	Free	No change	No change	On or before 12/31/92".

SEC. 414. PIGMENT RED 178.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.07	Pigment red 178 (CAS No. 3049-71-6) (provided for in subheading 3204.17.10)	Free	No change	No change	On or before 12/31/92".

SEC. 415. PIGMENT RED 149 DRY AND PRESSCAKE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.08	Pigment red 149 dry and pigment red 149 presscake (CAS No. 4948-15-6) (provided for in subheading 3204.17.50)	Free	No change	No change	On or before 12/31/92".

SEC. 416. SOLVENT YELLOW 43.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.09 Solvent yellow 43 (CAS No. 19125-99-6) (provided for in subheading 3204.19.15)	Free	No change	No change	On or before 12/31/92".

SEC. 417. SOLVENT YELLOW 44

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.10 Solvent yellow 44 (CAS No. 2478-20-8) (provided for in subheading 3204.19.19)	Free	No change	No change	On or before 12/31/92".

SEC. 418. MODELING PASTES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.34.07 Modeling pastes (provided for in heading 3407.00.20)	Free	No change	No change	On or before 12/31/92".

SEC. 419. METAL OXIDE VARISTORS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.85.33 Metal oxide varistors (provided for in subheading 8533.40.00, 8541.10.00 or 8541.50.00)	Free	No change	No change	On or before 12/31/92".

SEC. 420. CHEMICAL LIGHT ACTIVATOR BLENDS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.38.25 Mixtures of dimethyl phthalate, t-butanol, hydrogen peroxide, and sodium salicylate (provided for in subheading 3823.90.29)	Free	No change	No change	On or before 12/31/92".

SEC. 421. POLYMIN P AND POLYMIN P HYDROCHLORIDE, AND POLYMIN SNA 60.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.39.08 Polymin SNA 60 (CAS No. 28825-79-8) (provided for in subheading 3911.90.30)	Free	No change	No change	On or before 12/31/92"; and
"9902.39.10 Polymin P and polymin P hydrochloride (provided for in subheading 3911.90.50)	Free	No change	No change	On or before 12/31/92".

SEC. 422. HYDROCARBON NOVOLAC CYANATE ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.39.11 Hydrocarbon novolac cyanate ester (provided for in subheading 3911.90.30)	Free	No change	No change	On or before 12/31/92".

SEC. 423. THEATRICAL, BALLET, AND OPERATIC SCENERY, PROPERTIES, AND SETS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.44.22 Theatrical, ballet, and operatic scenery and properties, including sets (provided for in subheading 4421.90.90, 5907.00.10, 5907.00.90, 9701.10.00, 9706.00.00, or 9813.00.65)	Free	No change	No change	On or before 12/31/92".

SEC. 424. WICKER PRODUCTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.46.02 Wicker products (provided for in subheading 4602.10.11, 4602.10.13, 4602.10.19, 4602.10.40, or 4602.10.50)	Free	No change	No change	On or before 12/31/92".

SEC. 425. CERTAIN PLASTIC WEB SHEETING.

Subchapter II of chapter 99 is amended—

(1) by adding at the end of the U.S. notes thereto the following new note:

"11. For purposes of heading 9902.56.03, the term 'non-woven fiber sheet' means sheet comprising a highly uniform and random array of polyester fibers 1.5 to 3.0 denier, thermally bonded and calendered into a smooth surface web having—

"(a) a thickness of 3.7 to 4.0 mils;

"(b) a basis weight of 2.5 oz. per sq. yd.;

"(c) a machine tensile strength of 30 lb. per sq. in. or greater;

"(d) a low cross-direction tensile (approximately ⅓ of MD tensile strength); and
"(e) a Frazier air permeability of 1.0 to 1.5 cfm per sq. ft."; and
(2) by inserting in numerical sequence the following new heading:

"9902.56.03	Nonwoven fiber sheet (provided for in subheading 5603.00.90)	Free	No change	No change	On or before 12/31/92".

SEC. 426. PROTECTIVE SPORTS APPAREL.

Subchapter II of chapter 99 is amended—
(1) by adding at the end of the U.S. notes thereto the following:

"12. (a) For the purposes of subheading 9902.62.01—
"(1) The term 'sports clothing' refers to:
"(A) ice hockey pants, provided for in subheadings 6113.00, 6114.30, 6210.40, 6210.50, 6211.33 or 6211.43; and
"(B) other articles of sports wearing apparel which because of their padding, fabric, construction, or other special features are specially designed to protect against injury (e.g., from blows, falls, road burns or fire).
"(2) The term 'sports clothing' does not include protective equipment for sports or games such as fencing masks and breast plates, shoulder pads, leg guards, chest protectors, elbow and knee pads, cricket pads and shin guards.
"(b) The column 1-general rate of duty for articles entered under heading 9902.62.01 is a rate equal to the column 1 rate of duty that would have applied to such articles under the Tariff Schedules of the United States on December 31, 1988."; and
(2) by inserting in numerical sequence the following new heading:

"9902.62.01	Sports clothing, however provided for in chapters 61 and 62	The rate of duty prescribed in U.S. note 12 to this subchapter.	No change	No change	On or before 12/31/92".

SEC. 427. ISOINDOLENINE RED PIGMENT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.32.30	Isoindolenine red pigment (CAS No. 71552-60-8) (provided for in subheading 3204.17.30)	Free	No change	No change	On or before 12/31/92".

SEC. 428. GRIPPING NARROW FABRICS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.58.06	Fastener fabric tapes of man-made fibers (provided for in subheading 5806.10.20)	7%	No change	No change	On or before 12/31/92".

SEC. 429. IN-LINE ROLLER SKATE BOOTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.64.02	Skating boots for use in the manufacture of in-line roller skates (provided for in subheading 6402.19.10)	Free	No change	No change	On or before 12/31/92".

SEC. 430. SELF-FOLDING COLLAPSIBLE UMBRELLAS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.66.01	Self-folding telescopic shaft collapsible umbrellas chiefly used for protection against rain (provided for in subheading 6601.91.00)	Free	No change	No change	On or before 12/31/92".

SEC. 431. GLASS BULBS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.70.11	Monochrome glass envelopes with both (1) gray, tinted, skirted faceplates, and (2) either a video display diagonal of not more than 35.6 centimeters or a transmission level of 37 percent or less (provided for in subheading 7011.20.00)	Free	No change	No change	On or before 12/31/92".

SEC. 432. DRINKING GLASSES WITH SPECIAL EFFECTS IN THE GLASS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.70.14	Drinking glasses decorated with metal flecking, glass pictorial scenes, or glass thread-like or ribbon-like effects, any of the foregoing embedded or introduced into the body of the glassware prior to its solidification; millefiori glassware (all of the foregoing provided for in subheading 7013.29.10 or 7013.29.20)	6.6%	No change	No change	On or before 12/31/92
"9902.70.15	Drinking glasses colored prior to solidification, and characterized by random distribution of numerous bubbles, seeds, or stones, throughout the mass of the glass (provided for in subheading 7013.29.10 or 7013.29.20)	20%	No change	No change	On or before 12/31/92".

SEC. 433. CERTAIN GLASS FIBERS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.70.19	Fiberglass rubber reinforcing cord or yarn, made from electrically nonconductive continuous fiberglass filaments 9 microns in diameter or 10 microns in diameter and impregnated with resorcinol formaldehyde latex treatment for adhesion to polymeric compounds (provided for in subheading 7019.10.10, 7019.10.20, or 7019.10.60)	Free	No change	No change	On or before 12/31/92".

SEC. 434. ARTICLES OF SEMIPRECIOUS STONES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.71.16	Graded semiprecious stones (except rock crystal) strung temporarily for convenience of transport (provided for in subheading 7116.20.20)	2.1%	No change	No change	On or before 12/31/92".

SEC. 435. LUGGAGE FRAMES OF ALUMINUM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.76.16	Luggage frames of aluminum (provided for in subheading 7616.90.00)	Free	No change	No change	On or before 12/31/92".

SEC. 436. MOLTEN-SALT-COOLED ACRYLIC ACID REACTORS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.84.19	Molten-salt-colored acrylic acid reactors and their associated parts, accessories and equipment (provided for in subheadings 8419.89.50, 8419.90.30 or 8419.90.90), when imported as an entirety	Free	No change	No change	On or before 12/31/92".

SEC. 437. CERTAIN PAPER PRODUCTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.48.18	Toilet paper, of cellulose webbing or webs of cellulose fibers, in rolls of a width exceeding 15cm (provided for in subheading 4818.10.00)	3.5%	No change	No change	On or before 12/31/92.
"9902.48.19	Handkerchiefs, cleansing or facial tissues or towels, all the foregoing of cellulose webbing or webs of cellulose fibers, in rolls of a width exceeding 15cm (provided for in subheading 4181.20.00)	3.5%	No change	No change	On or before 12/31/92".

SEC. 438. IMPACT LINE PRINTERS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.84.65	Impact line printers using band drive mechanisms and which are capable of printing speeds of not less than 1,300 lines per minute (provided for in subheading 8471.92.65)	No change	No change	3.75%	On or before 12/31/92".

SEC. 439. MACHINES USED IN THE MANUFACTURE OF BICYCLE PARTS; CERTAIN BICYCLE

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.84.79	Wheelbuilding, wheeltruing, rim punching, tire fitting and similar machines suitable for use in the manufacture of wheels for bicycles (provided for in subheading 8479.89.90)	Free	No change	No change	On or before 12/31/92"; and
"9902.87.15	Bicycle handlebar stems wholly of aluminum alloy (including their hardware of any material), valued over $2.15 each (provided for in subheading 8714.99.90)	Free	No change	No change	On or before 12/31/92
"9902.87.16	Bicycle handlebar stem rotor assemblies (provided for in subheading 8714.99.90)	Free	No change	No change	On or before 12/31/92".

SEC. 440. MOTOR VEHICLE PARTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.84.83	Motor vehicle parts, provided for in subheading 7014.00.20 or heading 8483	No change	Free (B) No change (A,C,E,IL).	No change	On or before the date proclaimed by the President providing such duty free entry under such subheading or heading".

SEC. 441. PARTS OF GENERATORS FOR USE ON AIRCRAFT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.85.03	Parts of generations suitable for use on aircraft (provided for in subheading 8503.00.60)	Free	No change	No change	On or before 12/31/92".

SEC. 442. MAGNETIC VIDEO TAPE RECORDINGS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.85.24	Video tape recordings of a width exceeding 6.5mm but not exceeding 16mm, in cassetes of United States origin as certified by the importers, and valued at not over $7.00 per prerecorded cassete unit (provided for in subheading 8524.23.10)	Free	No change	No change	On or before 12/31/92".

SEC. 443. CERTAIN INFANT NURSERY MONITORS AND INTERCOMS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.85.25	Infant nursery intercommunication systems, each consisting in the same package of a pair of transceivers operating on frequencies from 49.82 to 49.90 mHz and an electrical adapter (proivded for in subheading 8504.00 or 8525.20.20)	Free	No change	No change	On or before 12/31/92
"9902.85.26	Infant nursery monitor systems, each consisting in tghe same package of a radio transmitter, an electical adapter, and a radio receiver (provided for in subheading 8504.40.00, 8525.10.60, 8527.39.00, or 8527.90.80)	Free	No change	No change	On or before 12/31/92".

SEC. 444. INSULATED WINDING WIRE CABLE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.85.44	Self-contained fluid filled submarine cable of 345 kilovolts (provided for in subheading 8544.60.40)	Free	No change	No change	On or before 12/31/92".

SEC. 445. CERTAIN PISTON ENGINES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.84.07	Internal combustion piston-type engines, of a cylinder capacity exceeding 50 cc but not exceeding 1,000 cc (provided for in heading 8407.32.20 or 84077.33.20), to be installed in vehicles specially designed for traveling on snow, golf carts, nonamphibious all-terrain vehicles, and burden carriers (provided for in subheading 8703.10.00, 8703.21.00 or 8704.31.00)..	Free	No change..	No change..	On or before 12/31/92".

SEC. 446. TIMING APPARATUS WITH OPTO-ELECTRONIC DISPLAY ONLY.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.91.06	Apparatus for measuring, recording or otherwise indicating intervals of time, with clock or watch movements, battery or AC powered and with opto-electronic display only (provided for in subheading 9106.90.80)	3.9% on the apparatus + 5.3% on the battery.	No change..	No change..	On or before 12/31/92".

SEC. 447. CERTAIN FURNITURE AND SEATS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.94.01	Furniture seats and parts thereof, the foregoing of cane, osier, bamboo or other similar materials, including rattan (provided for in subheading 9401.50.00, 9401.90.25, 9403.80.30, or 9403.90.25)	Free	No change..	No change..	On or before 12/31/92".

SEC. 448. CHRISTMAS ORNAMENTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.95.05	Christmas ornaments other than ornaments of glass or wood (provided for in subheading 9505.10.25)	Free	No change..	No change..	On or before 12/31/92".

SEC. 449. 3-DIMENSIONAL CAMERAS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.90.06	Cameras incorporating 4 fixed lenses which together are capable of producing a 3-dimensional effect (provided for in subheading 9006.53.00)	Free	No change..	No change..	On or before 12/31/92".

SEC. 450A. FROZEN CARROTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.07.10	Carrots, frozen (provided for in subheading 0710.80.70)	2.2¢/kg	No change..	No change..	On or before 12/31/92".

SEC. 450B. CERTAIN VENEER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.44.21	Manmade or recomposed wood veneer not exceeding 6 mm in thickness, sliced from a block composed of wood veneer sheets produced from logs and flitches (provided for in subheading 4421.90.90)	Free	No change..	No change..	On or before 12/31/92".

SEC. 450C. PERSONAL EFFECTS AND EQUIPMENT OF PARTICIPANTS AND OFFICIALS INVOLVED IN THE 1990 GOODWILL GAMES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.98.00	Personal effects of aliens who are participants in or officials of the 1990 Goodwill Games, or who are accredited members of delegations thereto, or who are members of the immediate families of any of the foregoing persons, or who are their servants; equipment for use in connection with such games, and other related articles as prescribed by the Secretary of the Treasury	Free	No change..	Free	On or before 9/30/90".

SEC. 450D. PERSONAL EFFECTS AND EQUIPMENT FOR WORLD UNIVERSITY GAMES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.98.03 Personal effects of aliens who are participants in, or officials of, the 1993 World University Games, who are accredited members of delegations thereto, who are members of the immediate families of any of the foregoing persons, or who are their servants; equipment for use in connection with such games, and such other related articles as may be prescribed by the Secretary of the Treasury	Free	No change	Free	On or before 9/30/93".

SEC. 450E. KARATE PANTS AND BELTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.62.04 Karate pants and karate belts (provided for in subheading 6203.42.40, 6203.43.40, 6204.62.40, 6204.63.35, or 6217.10.00)	8%	No change	No change	On or before 12/31/92".

SEC. 450F. METALLURGICAL FLUORSPAR.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.25.29 Fluorspar containing by weight 97 percent or less of calcium fluoride (provided for in subheading 2529.21.00)	Free	No change	No change	On or before 12/31/92".

PART 2—EXISTING TEMPORARY DUTY SUSPENSIONS

SEC. 461. EXTENSION OF CERTAIN EXISTING SUSPENSIONS OF DUTY.

(a) EXTENSIONS UNTIL JANUARY 1, 1993.—Each of the following subheadings or headings is amended by striking out the date in the effective period column and inserting "12/31/92":

(1) Subheadings 9902.05.10 and 9902.05.11 (relating to crude feathers and down).

(2) Heading 9902.08.07 (relating to fresh cantaloupes).

(3) Heading 9902.09.04 (relating to mixtures of hot red peppers and salt).

(4) Heading 9902.29.04 (relating to p-toluene-sulfonyl chloride).

(5) Heading 9902.29.05 (relating to certain menthol feedstocks).

(6) Heading 9902.29.06 (relating to dicofol).

(7) Heading 9902.29.11 (relating to triethylene glycol dichloride).

(8) Heading 9902.29.13 (relating to 2,6-dichlorobenzaldehyde).

(9) Heading 9902.29.14 (relating to dinocap).

(10) Heading 9902.29.21 (relating to m-hydroxybenzoic acid).

(11) Heading 9902.29.22 (relating to d-6-methoxyacmethyl-2-naphthaleneacetic acid and its sodium salt).

(12) Heading 9902.29.24 (relating to 3-amino-3-methyl-1-butyne).

(13) Heading 9902.29.30 (relating to 8-amino-1-naphthalenesulfonic acid and its salts).

(14) Heading 9902.29.31 (relating to 5-amino-2 (p-aminoanilino) benzenesulfonic acid).

(15) Heading 9902.29.33 (relating to 1-amino-8-hydroxy-3,6-naphthalenedisulfonic acid; and 4-amino-5-hydroxy-2,7-naphthalendisulfonic acid, monosodium salt (H acid, monosodium salt)).

(16) Heading 9902.29.43 (relating to 1-amino-2,4-dibromoanthraquinone).

(17) Heading 9902.29.44 (relating to bromamine acid).

(18) Heading 9902.29.51 (relating to N-(7-hydroxy-1-naphthyl)acetamide).

(19) Heading 9902.29.57 (realting to N,N-bis(2-cyanoethyl)aniline).

(20) Heading 9902.29.60 (relating to trialate).

(21) Heading 9902.29.64 (relating to 6-(3-methyl-5-oxo-1-pyrazolyl)-1,3-naphthalenedisulfonic acid (amino-J-pyrazolone) (CAS No. 7277-87-4); and 3-methyl-1-phenyl-5-pyrazolone (methylphenylpyrazolone)).

(22) Heading 9902.29.66 (relating to m-sulfaminopyrazolone (m-sulfamidophenylmethylpyrazolone)).

(23) Heading 9902.29.76 (relating to 2-n-octyl-4-isothiazolin-3-one and mixtures of 2-n-octyl-4-isothiazolin-3-one and application adjuvants).

(24) Heading 9902.29.79 (relating to 2-amino-N-ethylbenzenesulfonanilide).

(25) Heading 9902.32.04 (relating to methylene blue).

(26) Heading 9902.38.06 (relating to mixtures of dinocap with application adjuvants).

(27) Heading 9902.38.07 (relating to mixtures of mancozeb and dinocap).

(28) Heading 9902.38.08 (relating to mixtures of maneb, zineb, mancozeb, and metiram).

(29) Heading 9902.38.10 (relating to mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride and stabilizers, whether or not containing application adjuvants).

(30) Heading 9902.38.11 (relating to mixtures of dicofol and application adjuvants).

(31) Heading 9902.39.14 (relating to cholestyramine resin USP).

(32) Headings 9902.40.11, 9902.73.12, 9902.73.15, 9902.85.12, and 9902.87.14 (relating to certain bicycle parts).

(33) Heading 9902.51.01 (relating to certain wools).

(34) Heading 9902.84.42 (relating to certain narrow weaving machines).

(35) Heading 9902.84.45 (relating to certain wool carding and spinning machinery).

(36) Heading 9902.84.48 (relating to certain knitting machines designed for sweater strip or garment length knitting).

(37) Heading 9902.84.50 (relating to certain lace braiding machines).

(38) Heading 9902.29.10 (relating to 6-hydroxy-2-naphthalenesulfonic acid and its sodium, potassium, and ammonium salts).

(39) Heading 9902.29.23 (relating to triphenyl phosphate).

(40) Heading 9902.29.28 (relating to α,α,α-trifluoro-o-toluidine).

(41) Heading 9902.29.35 (relating to 6-amino-4-hydroxy-2-naphthalenesulfonic acid (gamma acid)).

(42) Heading 9902.29.38 (relating to 3,3'-dimethoxybenzidine (o-dianisidine) and its dihydrochloride).

(43) Heading 9902.29.40 (relating to 2-amino-5-nitrophenol).

(44) Heading 9902.29.47 (relating to 4-methoxyaniline-2-sulfonic acid).

(45) Heading 9902.29.49 (relating to benzethonium chloride).

(46) Heading 9902.29.59 (relating to 2,2-bis(4-cyanatophenyl)propane).

(47) Heading 9902.29.62 (relating to paraldehyde).

(48) Heading 9902.29.63 (relating to aminomethylphenylpyrazole).

(49) Heading 9902.29.67 (relating to 3-methyl-1-(p-tolyl)-2-pyrazolin-5-one (p-tolyl methyl pyrazolone)).

(50) Heading 9902.29.69 (relating to 3-methyl-5-pyrazolone).

(51) Heading 9902.29.71 (relating to barbituric acid).

(52) Heading 9902.30.04 (relating to nicotine resin complex).

(53) Heading 9902.36.06 (relating to metaldehyde).

(54) Heading 9902.84.44 (relating to machines designed for heat-set, stretch tecturing of continuous man-made fibers).

(55) Heading 9902.84.51 (relating to knitting needles).

(56) Heading 9902.29.27 (relating to tetraamino biphenyl).

(57) Heading 9902.29.88 (relating to cyclosporine).

(58) Heading 9902.26.14 (relating to synthetic rutile).

(59) Heading 9902.57.01 (relating to needlecraft display models, primarily hand stitched, of completed mass-produced kits).

(60) Heading 9902.29.52 (relating to 2,5-dimethoxyacetanilide).

(61) Heading 9902.29.61 (relating to 3-(4'-aminobenzamido)phenyl-β-hydroxyethylsulfone).

(62) Heading 9902.29.25 (relating to 4-chloro-2-nitroaniline).

(63) Heading 9902.29.07 (relating to 2-[(3-nitrophenyl)sulfonyl]ethanol).

(64) Heading 9902.29.42 (relating to 4-chloro-2,5-dimethoxyaniline).

(65) Heading 9902.29.45 (relating to 3,4-diaminophenetole, dihydrogen sulfate).

(66) Heading 9902.29.86 (relating to 2,4-dichloro-5-sulfamoylbenzoic acid).

(67) Heading 9902.25.04 (relating to graphite).

(68) Heading 9902.29.01 and 9902.37.07 (relating to photographic color couplers and coupler intermediates).

(69) Heading 9902.95.01 (relating to stuffed dolls and doll skins).

(b) EXTENSION UNTIL DATE OTHER THAN JANUARY 1, 1993.—Heading 9902.61.00 (relating to certain knitwear fabricated in Guam) is

amended by striking out "10/31/92" and inserting "10/31/96".

SEC. 462. EXTENSION OF, AND OTHER MODIFICATIONS TO, CERTAIN EXISTING SUSPENSIONS OF DUTY.

(a) CORNED BEEF IN AIRTIGHT CONTAINERS.—Heading 9902.16.02 is amended—

(1) by striking out "3%" and inserting "Free"; and

(2) by striking out "12/31/89" and inserting "12/31/92".

(b) SURGICAL GOWNS AND DRAPES.—Heading 9902.62.10 is amended to read as follows:

"9902.62.10 Spunlaced or bonded fiber fabric disposable gowns of manmade fibers intended for use during surgical procedures (provided for in subheading 6210.10.40) and spunlaced or bonded fiber fabric disposable surgical drapes of manmade fibers (provided for in subheading 6307.90.70)	5.6%	No change (E*, IL), 3.3% (CA)	26.5%	On or before 12/31/92, except that in the case of goods originating in the territory of Canada, the effective period is on or before 12/31/98".

(c) CERTAIN JEWELRY.—Heading 9902.71.13 is amended—

(1) by amending the article description to read as follows: "Toy jewelry provided for in subheading 7117.19.10, 7117.19.50, 7117.90.40 (except parts) or 7117.90.50 (except parts) valued not over 5¢ piece; and articles (except parts) provided for in heading 9502, 9503, 9504 or subheading 9505.90 (except balloons, marbles, dice, and diecast vehicles), valued not over 5¢ per unit"; and

(2) by striking out "12/31/90" and inserting "12/31/92".

(d) ELECTROSTATIC COPYING MACHINES.—Heading 9902.90.90 is amended—

(1) by inserting "and accessories," after "Parts,";

(2) by inserting ", and parts and accessories and accessory and auxiliary machines which are intended for attachment to an electrostatic photocopier and which do not operate independently of such photocopier (provided for in subheading 8472.90.80)" after "(provided for in subheading 9009.90.00)", and

(3) by striking out "12/31/90" and inserting "12/31/92".

(e) CERTAIN HOSIERY KNITTING MACHINES.—Heading 9902.84.47 is amended—

(1) by striking out "12/31/90" and inserting in lieu thereof "12/31/92",

(2) by striking out "single cylinder fine gauge and all double cylinder" and inserting in lieu thereof "and parts thereof", and

(3) by striking out "or 8447.20.60" and inserting in lieu thereof ", 8447.20.60, or 8448.59.10".

(f) JACQUARD CARDS.—

(1) EXISTING SUSPENSION.—Heading 9902.48.23 is amended—

(A) by striking out "4823.90.85" in the article description and inserting in lieu thereof "3926.90.90, 4823.30.00, 4823.90.85,", and

(B) by striking out "12/31/90" and inserting "12/31/92".

(2) CARDS TO BE USED AS JACQUARD CARDS.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.39.27 Cards, not punched, suitable for use as, or in making, jacquard cards (provided for in subheading 3926.90.90, 4823.30.00, or 4823.90.85)	Free	No change	No change	On or before 12/31/92".

(g) KITCHENWARE OF GLASS-CERAMICS.—Heading 9902.70.13 is amended—

(1) by striking out the article description and inserting: "Kitchenware of glass-ceramics, with handles measuring less than 5.1 cm in length, if any, nonglazed, black in color, greater than 75 percent by volume crystalline, of lithium aluminosilicate, having a linear coefficient of expansion not exceeding 10×10^{-7} per Kelvin within a temperature range of 0°C to 300°C, transparent, haze-free, exhibiting transmittances of infrared radiations in excess of 75 percent at a wavelength of 2.5 microns when measured on a sample 3 mm in thickness, and containing β-quartz solid solution as the predominant crystal phase (provided for in subheading 7013.10.10)", and

(2) by striking "12/31/90" and inserting "12/31/92".

(h) UMBRELLA FRAMES AND PARTS.—Heading 9902.66.03 is amended—

(1) by inserting ", umbrella handles and knobs (provided for in subheading 6603.10.00), and umbrella tips and caps (provided for in subheading 6603.90.00)" after "(provided for in subheading 6603.20.30)", and

(2) by striking out "12/31/90" and inserting "12/31/92".

(i) TERFENADONE.—Heading 9902.29.74 is amended—

(1) by striking out "2933.90.37" and inserting "2933.39.47", and

(2) by striking out "12/31/90" and inserting "12/31/92".

(j) TOY FIGURES.—

(1) Heading 9902.95.02 is amended—

(A) by striking out "toy figures of animate objects (except dolls)" and inserting "toys representing animals or nonhuman creatures,"; and

(B) by striking out "12/31/90" and inserting "12/31/92".

(2) Heading 9902.95.03 is repealed.

(3) Heading 9902.95.04 is amended—

(A) by striking out "toy figures of animate or inanimate objects" and inserting "toys representing animals or nonhuman creatures"; and

(B) by striking out "12/31/90" and inserting "12/31/92".

(4) U.S. note 6 of subchapter II of chapter 99 is amended to read as follows:

"6. For purposes of heading 9902.95.02, the term 'filled' includes toy figures which are not completely filled or are filled with materials such as plastic beads or crushed nutshells but which otherwise possess the characteristics of toy figures classifiable as 'stuffed'.".

SEC. 463. TERMINATION OF EXISTING SUSPENSION OF DUTY ON C-AMINES.

Heading 9902.29.29 is repealed.

Subtitle B—Other Tariff and Miscellaneous Provisions

PART 1—TARIFF CLASSIFICATION AND OTHER TECHNICAL AMENDMENTS

SEC. 471. CERTAIN EDIBLE MOLASSES.

Additional U.S. notes 2, 3, and 4 of chapter 17 are amended by striking out "1702.90.40," each place it appears therein.

SEC. 472. CERTAIN WOVEN FABRICS AND GAUZE.

(a) WOVEN FABRICS OF CARDED WOOL OR CARDED FINE ANIMAL HAIR.—Heading 5111 of chapter 51 is amended—

(1) by striking subheadings 5111.11.10 and 5111.11.60 and inserting the following new subheadings with the article description for subheading 5111.11.20 and the superior heading for subheadings 5111.11.30 and 5111.11.70 each having the same degree of indentation as the article description in subheading 5111.19.10:

"5111.11.20 Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²	7%	2.1% (IL), 5.6% (CA)	68.5%";	
"5111.11.30 Other:				

	Hand-woven, with a loom width of less than 76 cm	*17.6¢/kg + 12.5%*	*5.3¢/kg + 3.8% (IL). 14¢/kg + 10% (CA).*	*$1.10/kg + 60%*	
5111.11.70	*Other*	*36.1%*	*9.9% (IL) 28.8%*	*68.5%*";	

(2) by inserting after subheading 5111.20.05 the following new subheading with the article description having the same degree of indentation as the article description in subheading 5111.20.05:

"5111.20.10	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*";	

(3) by inserting after subheading 5111.30.05 the following new subheading with the article description having the same degree of indentation as the article description in subheading 5111.30.05:

"5111.30.10	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*";	

and

(4) by striking out subheading 5111.90.60 and inserting the following new subheadings with the superior heading for subheadings 5111.90.40, 5111.90.50 and 5111.90.70 having the same degree of indentation as the article description for subheading 5111.90.30:

"5111.90.40	*Other:*				
	Tapestry fabrics and upholstery fabrics of a weight exceeding 300 g/m²	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*";	
"5111.90.50	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*";	
"5111.90.70	*Other*	*33%*	*9.9% (IL) 26.4% (CA).*	*68.5%*";	

(b) WOVEN FABRICS OF COMBED WOOL OR OF COMBED FINE ANIMAL HAIR.—Heading 5112 of chapter 51 is amended by striking out subheadings 5112.11.00 through 5112.90.60, inclusive, and inserting the following with the article descriptions for subheadings 5112.11 and 5112.19 having the same degree of indentation as the article description in subheading 5111.90.30, with the article descriptions for subheadings 5112.20, 5112.30, and 5112.90 each having the same degree of indentation as the article description in subheading 5111.90 and with the superior heading to subheadings 5112.90.40, 5112.90.50, and 5112.90.60 having the same degree of indentation as subheading 5111.90.30:

"5112.11	*Of a weight not exceeding 200g/m⁻²:*				
5112.11.10	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.11.20	*Other*	*36.1%*	*9.9% (IL) 28.8% (CA).*	*68.5%*	
5112.19	*Other:*				
5112.19.10	*Tapestry fabrics and upholstery fabrics of a weight exceeding 300 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.19.60	*Other*	*36.1%*	*9.9% (IL) 28.8% (CA).*	*68.5%*	
5112.20	*Other, mixed mainly or solely with man-made filaments:*				
5112.20.10	*Tapestry fabrics and upholstery fabrics of a weight exceeding 300 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.20.20	*Tapestry fabrics and upholstery fbrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6 (CA)*	*68.5%*	
5112.20.30	*Other*	*48.5¢/kg+38%.*	*14.4¢/kg+11.4% (IL). 38.8¢/kg+30.4% (CA).*	*48.5¢/kg+68.5%*	
5112.30	*Other, mixed mainly or solely with man-made staple fibers:*				
5112.30.10	*Tapestry fabrics and upholstery fabrics of a weight exceeding 300 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.30.20	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1%(IL) 5.6%(CA)*	*68.5%*	
5112.30.30	*Other*	*48.5¢/kg+38%*	*14.4¢/kg+11.4% (IL). 38.8¢/kg+30.4% (CA).*	*48.5¢/kg+68.5%*	
5112.90	*Other:*				
5112.90.30	*Containing 30 percent or more by weight of silk or silk waste, valued over $33/kg*	*7.8%*	*2.3% (IL) 6.2% (CA)*	*80%*	
5112.90.40	*Other:*				
	Tapestry fabrics and upholstery fabrics of a weight exceeding 300 g/m²	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.90.50	*Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²*	*7%*	*2.1% (IL) 5.6% (CA)*	*68.5%*	
5112.90.60	*Other*	*33%*	*2.6% (IL) 26.4% (CA).*	*68.5%*	

(c) GAUZE.—Chapter 58 is amended by striking out subheading 5803.90.10 and inserting the following with the superior heading to subheadings 5803.90.11 and 5803.90.12 having the same degree of indentation as the article description for subheading 5803.90.20:

"5803.90.11	*Of wool or fine animal hair:*				
	Tapestry fabrics and upholstery fabrics of a weight not exceeding 140 g/m²	*7%*	*2.1% (IL) 5.6%(CA)*	*68.5%*	
5803.90.12	*Other*	*33%*	*9.9% (IL) 26.4% (CA).*	*68.5%*	

SEC. 473. CLASSIFICATION OF CERTAIN ARTICLES IN WHOLE OR PART OF FABRICS COATED, COVERED, OR LAMINATED WITH OPAQUE RUBBER OR PLASTICS.

Chapter 42 is amended—

(1) by striking out "Additional U.S. Note" and inserting "Additional U.S. Notes"; and

(2) by inserting after additional U.S. note 1 the following:

"2. For purposes of classifying articles under subheadings 4202.12, 4202.22, 4202.32, and 4202.92, articles of textile fabric impregnated, coated, covered or laminated with plastics (whether compact or cellular) shall be regarded as having an outer surface of textile material or of plastic sheeting, depending upon whether and the extent to which the textile constituent or the plastic constituent makes up the exterior surface of the article.".

SEC. 474. GLOVES, MITTENS, AND MITTS.

(a) ICE AND FIELD HOCKEY GLOVES.—

(1) Chapter 61 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6116.10.10:

6116.10.05	Ice hockey gloves and field hockey gloves	Free	25%."

(2) Chapter 61 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6116.92.10:

6116.92.05	Ice hockey gloves and field hockey gloves	Free	45%."

(3) Chapter 61 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6116.93.10:

6116.93.05	Ice hockey gloves and field hockey gloves	Free	45%."

(4) Chapter 61 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6116.99.30:

6116.99.20	Ice hockey gloves and field hockey gloves	Free	45%."

(5) Chapter 62 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6216.00.10:

6216.00.05	Ice hockey gloves and field hockey gloves	Free	25%."

(6) Chapter 62 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6216.00.34:

6216.00.33	Ice hockey gloves and field hockey gloves	Free	45%."

(7) Chapter 62 is amended by inserting in numerical sequence the following new subheading, with the article description having the same degree of indentation as the article description for subheading 6216.00.44:

6216.00.43	Ice hockey gloves and field hockey gloves	Free	45%."

(b) OTHER SPORTS GLOVES.—The article descriptions in subheadings 6116.10.50, 6216.00.23, 6216.00.29 and 6216.00.47 are each amended to read as follows: "Other gloves, mittens, and mitts, specially designed for use in sports".

SEC. 475. CHIPPER KNIFE STEEL.

Subchapter XV of chapter 72 is amended by striking out subheadings 7226.91.10 and 7226.91.30 and inserting the following with the article description for subheading 7226.91.05 having the same degree of indentation as that of subheading 7226.91.50:

"7226.91.05	Of chipper knife steel	Free		34%
"7226.91.15	Of a width of 300mm or more	9.6%	Free (E. IL). 7.6% (CA) ...	29%
"7226.91.25	Of a width of less than 300mm	11.6%	Free (E. IL). 9.2% (CA) ...	34%

SEC. 476. ELIMINATION OF INVERTED TARIFF ON CANTILEVER BRAKES AND BRAKE PARTS FOR BICYCLES.

The following provisions are amended as follows:

(1) Subheading 8714.94.20 is amended by striking out "Caliper brakes" and inserting "Caliper and cantilever bicycle brakes and parts thereof".

(2) Heading 9902.73.12 is amended by inserting "and cantilever bicycle" immediately after "caliper".

(3) Heading 9902.87.14 is amended by inserting "and cantilever bicycle brakes," immediately after "Caliper".

SEC. 477. BICYCLES HAVING 26-INCH WHEELS.

Chapter 87 is amended—

(1) by striking out "65 cm" in subheadings 8712.00.10 and 8712.00.20 and inserting "63.5 cm"; and

(2) by striking out "4 cm" in subheading 8712.00.20 and inserting "4.13 cm".

SEC. 478. PROCESSING OF CERTAIN BLENDED SYRUPS.

(a) IN GENERAL.—U.S. note 2 to subchapter IV of chapter 99 is amended by adding at the end thereof the following:

"(e) Blended syrups of heading 9904.50.20, if entered from a foreign trade zone by a foreign trade zone user whose facilities were in operation on June 1, 1990, to the extent that the annual quantity entered into the customs territory from such zone does not contain an amount of sugar of nondomestic origin greater than that authorized by the Foreign Trade Zones Board for processing in such zone during calendar year 1985.".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1988.

SEC. 479A. ARTICLES EXPORTED AND RETURNED.

The U.S. notes to subchapter II of chapter 98 are amended by adding at the end thereof the following new note:

"6. Notwithstanding the partial exemption from ordinary customs duties on the value of the metal product exported from the United States provided under subheading 9802.00.60, articles imported under subheading 9802.00.60 are subject to all other duties, and any other restrictions or limitations, imposed pursuant to title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.), or chapter 1 of title II or chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2251 et seq., 19 U.S.C. 2411 et seq.).".

SEC. 479B. BROOMS.

(a) IN GENERAL.—Chapter 96 is amended—

(1) by inserting "wholly or in part" after "Whiskbrooms," in the superior article description for subheading 9603.10.10; and

(2) by inserting "wholly or in part" after "Other brooms," in the superior article description for subheading 9603.10.40.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles entered or withdrawn from warehouse for consumption on or after the date that is 15 days after the date of enactment of this Act.

SEC. 479C. FOLIAGE-TYPE ARTIFICIAL FLOWERS.

Subheading 6702.90.40 is amended by striking out "Artificial flowers, of" in the article description and inserting in lieu thereof "Of".

PART 2—MISCELLANEOUS PROVISIONS

SEC. 481. RENEWAL OF EXISTING CUSTOMS EXEMPTION APPLICABLE TO BICYCLE PARTS IN FOREIGN TRADE ZONES.

Section 3(b) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c(b)), is amended by striking out "before January 1, 1991" and inserting in lieu thereof "on or before December 31, 1992".

SEC. 482. RAIL CARS FOR THE STATE OF FLORIDA.

Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Secretary of the Treasury shall admit free of duty each bilevel rail passenger car that was—

(1) entered after March 14, 1988, and before January 1, 1989, and classified under item 690.15 of the Tariff Schedules of the United States (19 U.S.C. 1202); and

(2) designed for, and is for the use of, the Department of Transportation of the State of Florida.

If the liquidation of the entry of any such rail car has become final before the date of the enactment of this Act, the entry shall, notwithstanding any other provision of law, be reliquidated in accordance with the provisions of this Act and the appropriate refund of duty made.

SEC. 483. RELIQUIDATION OF CERTAIN ENTRIES.

(a) CERTAIN ANTIDUMPING DUTIES.—(1) Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law and subject to paragraph (2), the entries listed in paragraph (3) shall be reliquidated, without liability of the importer of record for antidumping duties, and if any such duty has been paid, either through liquidation or compromise under section 617 of the Tariff Act of 1930 (19 U.S.C. 1617), refund threof shall be made within 90 days after reliquidation.

(2) Reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the appropriate customs officer within 180 days after the date of the enactment of this Act that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

(3) The entries referred to in paragraph (1) are as follows:

Entry number	Date of entry
74-222089	May 7, 1974.
74-225275	June 17, 1974.
76-237223	July 9, 1976.
76-247178	October 1, 1976.
79-251251	September 11, 1979.
80-223851	October 9, 1979.
80-224447	November 27, 1979.
80-224448	November 27, 1979.
80-225842	April 29, 1980.
80-225843	April 29, 1980.
80-225844	April 29, 1980.
80-225845	April 29, 1980.
80-226742	August 13, 1980.
80-226743	August 18, 1980.

(b) DIGITIAL PROCESSING UNITS.—(1) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer within 180 days after the date of the enactment of this Act, any entry of a processing unit that—

(A) was entered under item 676.15 or 676.54 of the Tariff Schedules of the United States;

(B) would not, if classified under item 675.15, have been subject to temporary duties under item 945.83 or 945.84 of the Appendix to such Schedules; and

(C) was made after January 16, 1986, and before July 2, 1987;

shall be liquidated or reliquidated as free of duty and the Secretary of the Treasury shall refund and duties paid with respect to such entry.

(2) For purposes of this subsection, the term "processing unit" means a digital processing unit for an automated data processing machine, unhoused, consisting of a printed circuit (single or multiple) with one or more electronic integrated circuits or other semiconductor devices mounted directly thereon.

(c) CERTAIN OTHER ENTRIES.—Nothwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer within 180 days after the date of the enactment of this Act—

(1) any entry of 1-(3-sulfopropylpyridinium hydroxide (provided for in item 406.39 of the Tariff Schedules of the United States (19 U.S.C. 1202)) that occurred after September 30, 1988, and before January 1, 1989, shall be reliquidated as free of duty; and

(2) any entry of brussels sprouts (provided for in item 903.29 of such Schedules (19 U.S.C. 1202)) that occurred after December 31, 1987, and before November 11, 1988, shall be liquidated at the rate of 12.5 percent ad valorem.

SEC. 484 PROTEST RELATING TO CERTAIN ENTRIES.

For purposes of section 514 of the Tariff Act of 1930 (19 U.S.C. 1514), and notwithstanding any other provision of law, Protest Numbered 1801-000027 shall be deemed to have been filed with the appropriate customs officer within 90 days of the liquidation of entries 81-103533-2 and 81-103789-3.

SEC. 484A. SUBSTITUTION OF CRUDE PETROLEUM OR PETROLEUM DERIVATIVES.

(a) IN GENERAL.—Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended by adding at the end thereof the following new subsection:

"(p) SUBSTITUTION OF CRUDE PETROLEUM OR PETROLEUM DERIVATIVES.—

"(1) Notwithstanding any other provision of this section, in the case of articles, described in headings 2707 through 2715, 2901 and 2902, or 3901 through 3914 (limited to liquids, pastes, powders, granules, and flakes) of the Harmonized Tariff Schedule of the United States, that—

"(A) are—

"(i) manufactured or produced under subsection (a) or (b) from crude petroleum or petroleum derivatives, or

"(ii) imported duty-paid, and

"(B) are stored in common storage with other articles of the same kind and quality that are otherwise manufactured or produced.

drawback shall be paid on the articles withdrawn for export from such common storage (regardless of the source or origination of the articles withdrawn), if the requirements described in paragraph (2) are met.

"(2) The requirements of this paragraph are met if—

"(A) inventory records kept on a calendar month basis (not on a daily or transaction-by-transaction basis) demonstrate sufficient quantities of imported duty-paid articles or articles manufactured or produced under subsection (a) or (b) in the common storage against which such withdrawal is designated;

"(B) such inventory records reflect deliveries to and withdrawals from such common storage that assure that the drawback paid does not exceed the amount of drawback that would be payable under this section had all of the articles withdrawn from common storage been imported duty-paid or manufactured or produced under subsection (a) or (b);

"(C) certificates of delivery or certificates of manufacture and delivery, establishing the drawback eligibility of the imported duty-paid articles or articles manufactured or produced under subsection (a) or (b), when required, are filed with the drawback entry; and

"(D) the inventory records of the operator of such common storage are, upon reasonable notice, available to the Customs Service.

"(3) For purposes of this subsection—

"(A) The term 'common storage' includes all articles of the same kind and quality stored at a single facility regardless of the number of bins, tanks, or other containers used.

"(B) The term 'same kind and quality' means articles that are commercially interchangeable or that are referred to under the same eight-digit classification of the Harmonized Tariff Schedule of the United States.

"(C) The term 'single facility' means all storage units under the control and record-keeping of a single operator adjacent to a manufacturing plant, refinery, warehouse complex, terminal area, airport, bunkering facility, or similar facility.".

(b) TECHNICAL CORRECTION.—Subsection (b) of section 309 of the Tariff Act of 1930 (19 U.S.C. 1309) is amended by inserting "imported articles," after "foreign-trade zone,".

(c) EFFECTIVE DATE.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the amendments made by this section shall apply to—

(1) claims filed or liquidated on or after January 1, 1988, and

(2) claims that are unliquidated, under protest, or in litigation on the date of enactment of this Act.

SEC. 484B. AGGLOMERATE MARBLE FLOOR TILES.

Chapter 68 is amended by striking out subheading 6810.19.10 and inserting the following new subheadings with the article descriptions for such subheadings having the same degree of indentation as the article description for subheading 6804.22.60:

"6810.19.12	Floor and wall tiles:					
	Agglomerate marble tile.	4.9%	Free (A.E. IL).	40%		
6810.19.14	Other	21%	Free (A.E.IL).	55%"		

SEC. 484C. PARTS OF IONIZATION SMOKE DETECTORS.

Chapter 90 is amended by inserting in numerical sequence the following new subheading with the article description having the same degree of indentation as the article description in subheading 9022.90.60:

"9022.90.70	Of smoke detectors, ionization type	2.7%	Free (A, B, E, IL). 2.1% (CA)	35%		

SEC. 484D. NUCLEAR MAGNETIC SPECTROMETER.

The Secretary of the Treasury shall admit free of duty a Phillips Medical Systems 4 tesla nuclear magnetic resonance (NMR) spectrometer for the use of the University of Alabama at Birmingham. If the liquidation of the entry of the spectrometer becomes final before the date of the enactment of this Act, the Secretary of the Treasury, notwithstanding any other provisions of law, shall—

(1) within 15 days after such date, reliquidate the entry in accordance with the provisions of this Act, and

(2) at the time of such reliquidation, make the appropriate refund of any duty paid with respect to the entry.

SEC. 484E. FOREIGN REPAIR OF VESSELS.

(a) IN GENERAL.—Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466) is amended by adding at the end thereof the following new subsection:

"(h) The duty imposed by subsection (a) of this section shall not apply to—

"(1) the cost of any equipment, or any part of equipment, purchased for, or the repair parts or materials to be used, or the expense of repairs made in a foreign country with respect to, LASH (Lighter Aboard Ship) barges documented under the laws of the United States and utilized as cargo containers, or

"(2) the cost of spare repair parts or materials (other than nets or nettings) which the owner or master of the vessel certifies are intended for use aboard a cargo vessel, documented under the laws of the United States and engaged in the foreign or coasting trade, for installation or use on such vessel, as needed, in the United States, at sea, or in a foreign country, but only if duty is paid under appropriate commodity classifications of the Harmonized Tariff Schedule of the United States upon first entry into the United States of each such spare part purchased in, or imported from, a foreign country.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to—

(1) any entry made before the date of enactment of this Act that is not liquidated on the date of enactment of this Act, and

(2) any entry made—

(A) on or after the date of enactment of this Act, and

(B) on or before December 31, 1992.

SEC. 484F. CERTAIN DISTILLED SPIRITS IN FOREIGN TRADE ZONES.

Subsection (c) of section 3 of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 48 Stat. 999, chapter 590; 19 U.S.C. 81c(c)) is amended—

(1) by striking out "domestic" before "denatured distilled spirits",

(2) by inserting "which have been withdrawn free of tax from a distilled spirits plant (within the meaning of section 5002(a)(1) of the Internal Revenue Code of 1986)" after "distilled spirits",

(3) by striking out "Notwithstanding" and inserting in lieu thereof "(1) Notwithstanding", and

(4) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of the fifth proviso of subsection (a), distilled spirits which have been removed from a distilled spirits plant (as defined in section 5002(a)(1) of the Internal Revenue Code of 1986) upon payment or determination of tax may be used in the manufacture or production of medicines, medicinal preparation, food products, flavors, or flavoring extracts, which are unfit for beverage purposes, in a zone. Such products will be eligible for drawback under the internal revenue laws under the same conditions applicable to similar manufacturing or production operations occurring in customs territory.".

SEC. 484G. ETHYL TERTIARY-BUTYL ETHER.

(a) IN GENERAL.—Subchpater I of chapter 99 is amened by inserting in numerical sequence the following new heading:

"9901.00.52	Ethyl tertiari-butyl ether (provided for in subheading 2909.10.10) and any mixture containing ethyl tertiary-butyl ether	6.66c/liter	No change (A, E, IL). 5.29c/liter (CA).	6.66c/liter	The earlier of 12/31/92, or the date in which Treasury regulation § 1.40-1 is withdrawn or declared invalid.".	

(b) STAGED RATE REDUCTION.—Any staged reduction of a rate of duty set forth in heading 9901.00.50 of the Harmonized Tariff Schedule of the United States that was proclaimed by the President before the date of enactment of this Act and would otherwise take effect after the date of enactment of this Act shall also apply to the corresponding rates of duty set forth in subheading 99901.00.52 of such Schedule.

(c) EFFECTIVE DATE.—The Amendment made by this section shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

SEC. 484H. CANADIAN LOTTERY MATERIAL.

(a) IN GENERAL.—Section 553 of the Tariff Act of 1930 (19 U.S.C. 1553) is amended—

(1) by striking out "any merchandise" and inserting "(a) any merchandise"; and

(2) by adding at the end thereof the following new section:

"(b) Notwithstanding subsect (a), the entry for transportation in bond through the United States of any lottery ticket, printed paper that may be used as a lottery ticket, or any advertisement of any lottery, that is printed in Canada, shall be permitted without appraisement or the payment of duties under such regulations as the Secretary of the treasury may perscribe, except that such regulations shall not permit the transportation of lottery materials in the personal baggage of a traveler.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

SEC. 4841. CERTAIN FORGINGS.

Notwithstanding sections 304 and 514 of the Tariff Act of 1930 or any other provision of law, the Secretary of the Treasury, within 180 days after the date of the enactment of this Act, shall, upon request filed with the appropriate customs officer, reliquidate entries numbered 85414397-7, 85414495-0, 85414647-9, 85414649-5, 85414983-2, 85414995-5, 85415031-3, 85415122-8, 85415244-7, 85415496-6, 8541619-7, 85415683-8, and 85415828-9, filed at the Port of Porland, Oregon, and, upon such reliquidation, shall refund the additional marking duties that were collected upon such entires pursuant to such section 304.

SEC. 484J. CERTAIN EXTYRACORPOREAL SHOCK WAVE LITHOTRIPTER.

Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon request filed with the appropriate customs officer within 180 days after the date of enactment of this Act, entry numbered 86-707943-6, dated November 10, 1985, shall be reliquidated as duty-free and any duties paid with respect to such entry shall be refunded.

SEC. 484K. CERTAIN METHANOL ENTRIES.

Nothwithstanding section 514 or 520 of the Tariff act of 1930 or any other provision of law, the secretary of the Treasury shall—

(1) reliquidate as free of duty—

(A) Entry No. 85322102-3, dated June 21, 1985, and

(B) Entry No. 85603168-9, dated September 20, 1985,

made at New York, New York, that consists of methanol, and

(2) refund any duties paid with respect to such entries,

if the appropriate certification of actual use for such entries is submitted to the appropriate customs officer by no later than the date that is 180 days after the date of enactment of this Act.

SEC. 484L. CERTAIN FROZEN VEGETABLES.

Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon request filed with the appropriate customs officer within 180 days after the date of enactment of this Act, the Secretary of the Treasury shall—

(1) liquidate or reliquidate as free of duty any entry, or withdrawal from warehouse for consumption, made after December 31, 1989, and before May 1, 1990, of—

(A) cut and frozen green beans (provided for in subheading 0710.22.40 of the Harmonized Tariff Schedule of the United States), or

(B) frozen and off the cub whole kernel sweet corn (provided for in subheading 0710.40.00 of such Schedule),

that is the product of a foreign country to which nondiscriminatory (most-favored-nation) tariff treatment applies, and

(2) refund any duties paid with respect to such entry or withdrawal.

SEC. 484M. CERTAIN FILMS AND RECORDINGS.

Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon request filed with the appropriate customs officer within 180 days of the date of enactment of this Act, any entry, or withdrawal from warehouse for consumption, of any article described in items 960.50 through 960.70 of the Appendix to the Tariff Schedules of the United States (as in effect on August 11, 1985) which was made after August 11, 1985, and before January 1, 1987, shall be liquidated or reliquidated as though such entry or withdrawal had been made on August 11, 1985 and the Secretary of the Treasury shall make the appropriate refund of any duties paid with respect to such entry or withdrawal.

SEC. 485. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this title, the amendments made by this title shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after October 1, 1990.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer after September 30, 1990, and before April 1, 1991, any entry—

(A) which was made after the applicable date and before October 1, 1990, and

(B) with respect to which there would have been no duty, or a lesser duty, if any amendment made by section 311, 312, 377, 419, 423, 426, 428, 432, 434, 436, 438, 440, 441, 442, 445, 446, 450A, 461(a)(36), 462(d), 472, 474, 475, 477, 479C, 484B, or 484C applied to such entry,

shall be liquidated or reliquidated as though such amendment applied to such entry.

(2) For purposes of this title—

(A) The term "applicable date" means—

(i) if such amendment is made by section 442, December 31, 1987,

(ii) if such amendment is made by section 438, October 1, 1988,

(iii) if such amendment is made by section 311, 312, 377, 419, 426, 428, 432, 434, 440, 441, 445, 446, 450A, 462(d), 472, 474, 475, 477, 479C, 484B, or 484C, December 31, 1988.

(iv) if such amendment is made by section 436, July 1, 1989,

(v) if such amendment is made by section 461(a)(36), December 31, 1989, and

(vi) if such amendment is made by section 423, January 31, 1990.

(B) The term "entry" includes any withdrawal from warehouse.

(C) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(c) CORNED BEEF.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer after September 30, 1990, and before April 1, 1991, any entry of corned beef in airtight containers—

(1) described in subheading 9902.16.02,

(2) to which the column 1 general rate of duty in effect on December 31, 1989 would have applied if entry had been made on such date, and

(3) that was entered after December 31, 1989, and before October 1, 1990.

shall be liquidated or reliquidated at the column 1 general rate of duty in subheading 9902.16.02 in effect on December 31, 1989, and the Secretary of the Treasury shall refund any duties paid with respect to such entry in excess of such column 1 general rate.

(d) STAGED RATE REDUCTIONS FOR CERTAIN GOODS.—

(1) Any staged reductions of a special rate of duty set forth in subheading 5111.19.10 of the Harmonized Tariff Schedule of the United States that were proclaimed by the President before October 1, 1990, and are scheduled to take effect on or after October 1, 1990, also apply to the corresponding special rates of duty set forth in subheadings 5111.11.20, 5111.20.10, 5111.30.10, 5111.90.40, 5111.90.50, 5112.11.10, 5112.20.10, 5112.20.20, 5112.30.10, 5112.30.20, 5112.90.40, 5112.90.50, and 5803.90.11 (relating to certain woven fabrics and gauze) of such Schedule (as added by section 472).

(2) Any staged rate reduction proclaimed by the President before October 1, 1990, that—

(A) would take effect on or after October 1, 1990; and

(B) would, but for any amendment made by section 472 (relating to certain woven fabrics) or 475 (relating to chipper knife steel), apply to a special rate of duty set forth in any subheading of the Harmonized Tariff Schedule of the United States that is listed in Column A;

applies to the corresponding special rate of duty set forth in the subheading of such Schedule that is listed in column B opposite such column A subheading:

Column A	Column B
5111.11.10	5111.11.30
5111.11.60	5111.11.70
5111.90.60	5111.90.70
5112.11.00	5112.11.20
5112.20.00	5112.20.30
5112.30.00	5112.30.30
5803.90.10	5803.90.12
7226.91.10	7226.91.15
7226.91.30	7336.92.25

(3) The amendments made by section 472 shall not affect any staged reductions of a rate of duty set forth in subheadings 5112.19.10, 5112.19.60, 5112.90.30, 5112.90.60 of the Harmonized Tariff Schedule of the United States that were proclaimed by the President before October 1, 1990, and are scheduled to take effect on or after October 1, 1990.

(4)(A) Any staged reductions of a special rate of duty set forth in subheading 6810.19.10 of the Harmonized Tariff Schedule of the United States that were proclaimed by the President before October 1, 1990, and are scheduled to take effect on or after October 1, 1990, shall apply to the corresponding special rate of duty in subheading 6810.19.14.

(B) Any staged reductions of a special rate of duty set forth in subheading 3926.90.90 of the Harmonized Tariff Schedule of the United States that were proclaimed by the President before October 1, 1990, and are scheduled to take effect on or after October 1, 1990, shall apply to the corresponding special rate of duty in subheading 6810.19.12.

(B) Any staged reductions of a special rate of duty set forth in subheading 9022.29.40 of the Harmonized Tariff Schedule of the United States that was proclaimed by the President before October 1, 1990, and are scheduled to take effect on or after October 1, 1990, also apply to the corresponding special rate of duty in subheading 9022.90.70.

TITLE IV—EXPORTS OF UNPROCESSED TIMBER

SEC. 487. SHORT TITLE.

THis title may be cited as the "Forest Resources Conservation and Shortage Relief Act of 1990".

SEC. 488. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Timber is essential to the United States.

(2) Forests, forest resources, and the forest environment are exhaustible natural resources that require efficient and effective conservation efforts.

(3) In the interest of conserving those resources, the United States has set aside millions of acres of otherwise harvestable timberlands in the western United States, representing well over 100,000,000,000 board feet of otherwise harvestable timber.

(4) In recent years, administrative, statutory, or judicial action has been taken to see an increased amount of otherwise harvestable timberlands for conservation purposes.

(5) In the next few months and years, additional amounts of otherwise harvestable timberlands may be set aside for conservation purposes, pursuant to the Endangered Species Act of 1973, the National Forest Management Act of 1976, or other expected statutory, administrative, and judicial actions.

(6) There is evidence of a shortfall in the supply of unprocessed timber in the western United States.

(7) There is reason to believe that any shortfall which may already exist may worsen unless action is taken.

(8) In conjunction with the broad conservation actions expected in the next few months and years, conservation action is necessary with respect to exports of unprocessed timber.

(b) PURPOSES.—The purposes of this title are—

(1) to promote the conservation of forest resources in conjunction with State and Federal resources management plans, and other actions or decisions, affecting the use of forest resources;

(2) to take action essential for the acquisition and distribution of forest resources or products in short supply in the western United States;

(3) to take action necessary, to meet the goals of Article XI 2.(a) of the General Agreement on Tariffs and Trade, to ensure sufficient supplies of certain forest resources or products which are essential to the United States;

(4) to continue and refine the existing Federal policy of restricting the export of unprocessed timber harvested from Federal lands in the western United States; and

(5) to effect measures aimed at meeting these objectives in conformity with the obligations of the United States under the General Agreement on Tariffs and Trade.

SEC. 489. RESTRICTIONS ON EXPORTS OF UNPROCESSED TIMBER ORIGINATING FROM FEDERAL LANDS.

(a) PROHIBITION ON EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM FEDERAL LANDS.—No person who acquires unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States may export such timber from the United State, or sell, trade, exchange, or otherwise convey such timber to any other person for the purpose of exporting such timber from the United States, unless such timber has been determined under subsection (b) to be surplus to the needs of timber manufacturing facilities in the United States.

(b) SURPLUSES.—

(1) DETERMINATIONS BY SECRETARY CONCERNED.—The prohibition contained in subsection (a) shall not apply to specific quantities of grades and species of unprocessed timber originating from Federal lands which the Secretary concerned determines to be surplus to domestic manufacturing needs.

(2) PROCEDURES.—Any determination under paragraph (1) shall be made in regulations issued in accordance with section 553 of title 5, United States Code. Any such determination shall be reviewed at least once in every 3-year period. The Secretary concerned shall publish notice of such review in the Federal Register, and shall give the public an opportunity to comment on such review.

SEC. 490. LIMITATIONS ON THE SUBSTITUTION OF UNPROCESSED FEDERAL TIMBER FOR UNPROCESSED TIMBER EXPORTED FROM PRIVATE LANDS.

(a) DIRECT SUBSTITUTION.—(1) Except as provided in subsection (c), no person may purchase directly from any department or agency of the United States unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States if—

(A) such unprocessed timber is to be used in substitution for exported unprocessed timber originating from private lands; or

(B) such person has, during the preceding 24-month period, exported unprocessed timber originating from private lands.

(2) Notwithstanding paragraph (1)—

(A) Federal timber purchased pursuant to a contract entered into between the purchaser and the Secretary concerned before the date on which regulations to carry out this subsection are issued under section 495 shall be governed by the regulations of the Secretary concerned in effect before such date that restrict the substitution of unprocessed timber originating from Federal lands for exported timber originating from private lands;

(B) in the 1-year period beginning on the effective date of this title, any person who operates under a Cooperative Sustained Yield Unit Agreement, and who has an historic export quota shall be limited to entering into contracts under such a quota to a volume equal to not more than 66 percent of the person's historic export quota used during fiscal year 1989;

(C) a person referred to in subparagraph (B) shall reduce the person's remaining substitution volume by an equal amount each year thereafter such that no volume is substituted under such a quota in fiscal year 1995 or thereafter; and

(D) the 24-month period referred to in paragraph (1)(B) shall not apply to any person who—

(i) before the enactment of this Act, has, under an historic export quota approved by the Secretary concerned, purchased unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States in substitution for exported unprocessed timber originating from private lands;

(ii) certifies to the Secretary concerned, within 3 months after the date of the enactment of this Act, that the person will, within 6 months after such date of enactment, cease exporting unprocessed timber originating from private lands; and

(iii) ceases exports in accordance with such certification.

(b) INDIRECT SUBSTITUTION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no person may, beginning 21 days after the date of the enactment of this Act, purchase from any other person unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States if such person would be prohibited from purchasing such timber directly from a department or agency of the United States. Acquisitions of western red cedar which are domestically processed into finished products to be sold into domestic or international markets are exempt from the prohibitions contained in this paragraph.

(2) EXCEPTIONS.—(A) The Secretary of Agriculture shall, as soon as practicable but not later than 9 months after the date of the enactment of this Act, establish, by rule, a limited amount of unprocessed timber originating from Federal lands described in subparagraph (B) which maybe purchased by a person otherwise covered by the prohibition contained in paragraph (1). Such limit shall equal—

(i) the amount of such timber acquired by such person, based on the higher of the applicant's actual timber purchasing receipts or the appropriate Federal agency's records, during fiscal years 1988, 1989, and 1990, divided by 3, or

(ii) 15 million board feet,

whichever is less, except that such limit shall not exceed such person's proportionate share, with respect to all persons covered under this paragraph, of 50 million board feet.

(B) The Federal lands referred to in subparagraph (A) are Federal lands administered by the United States Forest Service Region 6 that are located north of the Columbia River from its mouth and east to its first intersection with the 119th meridian, and from that point north of the 46th parallel and east.

(C) Any person may sell, trade, or otherwise exchange with any other person the rights obtained under subparagraph (A), except that such rights may not be sold, traded, or otherwise exchanged to persons already in possession of such rights obtained under subparagraph (A).

(D) Federal timber purchased from Federal lands described in subparagraph (B) pursuant to a contract entered into between the purchaser and the Secretary of Agriculture before the date on which regulations to carry out this subsection are issued under section 495 shall be governed by the regulations of the Secretary of Agriculture in effect before such date that restrict the substitution of unprocessed timber originating from Federal lands for exported timber originating from private lands.

(c) APPROVAL OF SOURCING AREAS.—

(1) IN GENERAL.—The prohibitions contained in subsections (a) and (b) shall not apply with respect to the acquisition of unprocessed timber originating from Federal lands within a sourcing area west of the 100th meridian in the contiguous 48 States approved by the Secretary concerned under this subsection by a person who—

(A) in the previous 24 months, has not exported unprocessed timber originating from private lands within the sourcing area; and

(B) during the period in which such approval is in effect, does not export unprocessed timber originating from private lands within the sourcing area.

The Secretary concerned may waive the 24-month requirement set forth in subparagraph (A) for any person who, within 3 months after the date of the enactment of this Act, certifies that, within 6 months after such date, such person will, for a period of not less than 3 years, cease exporting unprocessed timber originating from private lands within the sourcing area.

(2) REQUIREMENTS FOR APPLICATION.—The Secretaries concerned shall, not later than 3 months after the date of the enactment of this Act, prescribe procedures to be used by a person applying for approval of a sourcing area under paragraph (1). Such procedures shall require, at a minimum, the applicant to provide—

(A) information regarding the location of private lands from which such person has, within the previous year, harvested or otherwise acquired unprocessed timber which has been exported from the United States; and

(B) information regarding the location of each timber manufacturing facility owned or operated by such person within the proposed sourcing area boundaries at which the applicant proposes to process timber originating from Federal lands.

The prohibition contained in subsection (a) shall not apply to a person before the date which is 1 month after the procedures referred to in this paragraph are prescribed. With respect to any person who submits an application in accordance with such procedures by the end of the time period set forth in the preceding sentence, the prohibition contained in subsection (a) shall not apply to such person before the date on which the Secretary concerned approves or disapproves such application.

(3) GRANT OF APPROVAL.—For each applicant, the Secretary concerned shall, on the

record and after an opportunity for a hearing, not later than 4 months after receipt of the application for a sourcing area, either approve or disapprove the application. The Secretary concerned may approve such application only if the Secretary determines that the area that is the subject of the application, in which the timber manufacturing facilities at which the applicant desires to process timber originating from Federal lands are located, is geographically and economically separate from any geographic area from which that person harvests for export any unprocessed timber originating from private lands. In making a determination referred to in this paragraph, the Secretary concerned shall consider equally the timber purchasing patterns, on private and Federal lands, of the applicant as well as other persons in the same local vicinity as the applicant, and the relative similarity of such purchasing patterns.

(4) DENIAL OF APPLICATION.—(A) Subject to subparagraph (B), and notwithstanding any other provision of law, in the 9-month period after receiving disapproval of an application submitted pursuant to this subsection, the applicant may purchase unprocessed timber originating from Federal lands in the area which is the subject of the application in an amount not to exceed 75 percent of the annual average of such person's purchases of unprocessed timber orginating from Federal lands in the same area during the 5 full fiscal years immediately prior to submission of the application. In the subsequent 6-month period, such person may purchase not more than 25 percent of such annual average, after which time the prohibitions contained in subsection (a) shall fully apply.

(B) If a person referred to in subparagraph (A) certifies to the Secretary concerned, within 90 days after receiving disapproval of such application, that such person shall, within 15 months after such disapproval, cease the export of unprocessed timber originating from private lands from the geographic area determined by the Secretary for which the application would have been approved, such person may continue to purchase unprocessed timber originating from Federal lands in the area which is the subject of the application, without being subject to the restrictions of subparagraph (A), except that such purchases during that 15-month period may not exceed 125 percent of the annual average of such person's purchases of unprocessed timber originating from Federal lands in the same area during the 5 full fiscal years immediately prior to submission of the application which was denied.

(C) Any person to whom subparagraph (B) applies may not, during the 15-month period after the person's application for sourcing area boundaries is denied, export unprocessed timber originating from private lands in the geographic area determined by the Secretary concerned for which the application would have been approved in amounts that exceed 125 percent of the annual average of such person's exports of unprocessed timber from such private lands during the 5 full fiscal years immediately prior to submission of the application.

(5) REVIEW OF DETERMINATIONS.—Determinations made under paragraph (3) shall be reviewed, in accordance with the procedures prescribed in this title, not less often than every 5 years.

SEC. 491. RESTRICTIONS ON EXPORTS OF UNPROCESSED TIMBER FROM STATE AND OTHER PUBLIC LANDS.

(a) ORDER TO PROHIBIT THE EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM STATE OR OTHER PUBLIC LANDS.—Except as provided in subsection (e), the Secretary of Commerce shall issue orders to prohibit the export from the United States of unprocessed timber originating from public lands, in the amounts specified in subsection (b).

(b) SCHEDULE FOR DETERMINATION TO PROHIBIT THE EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM STATE OR OTHER PUBLIC LANDS.

(1) STATES WITH ANNUAL SALES OF 400,000,000 BOARD FEET OR LESS.—With respect to States with annual sales volumes of 400,000,000 board feet or less, the Secretary of Commerce shall issue an order referred to in subsection (a) to prohibit the export of unprocessed timber originating from public lands not later than 21 days after the date of the enactment of this Act.

(2) STATES WITH ANNUAL SALES OF GREATER THAN 400,000,000 BOARD FEET.—With respect to any State with an annual sales volume greater than 400,000,000 board feet, the following shall apply:

(A) The Secretary of Commerce shall issue an order referred to in subsection (a) not later than 21 days after the date of the enactment of this Act. Such order shall cover a period beginning 120 days after the issuance of such an order, or January 1, 1991, whichever is earlier, and shall extend to December 31, 1991. Such order shall prohibit the export of 75 percent of the annual sales volume in such State of unprocessed timber from public lands.

(B) For the period beginning on January 1, 1992, and ending on December 31, 1993, the Secretary of Commerce shall, after notice and an opportunity for a hearing, issue an order referred to in subsection (a) not later than September 30, 1991. Such order shall prohibit the export of at least 75 percent of such State's annual sales volume for this 2-year period.

(C) For the period beginning on January 1, 1994, and ending on December 31, 1995, the Secretary of Commerce shall, after notice and an opportunity for a hearing, issue an order referred to in subsection (a) not later than September 30, 1993. Such order shall prohibit the export of at least 75 percent of such State's annual sales volume for this 2-year period.

(D) For all periods on or after January 1, 1996, the Secretary of Commerce shall issue an order referred to in subsection (a) not later than September 30, 1995. Such order shall prohibit the export of the lesser of 400,000,000 board feet or the total annual sales volume.

(3) REPORT TO CONGRESS.—Not later than June 1, 1995, the Secretary of Commerce, in conjunction with the Secretaries of Agriculture and Interior, shall issue a report to the Congress on the effects of the reallocation, as a result of the enactment of this title, of public lands timber resources to the domestic timber processing sector, the ability of the domestic timber processing sector to meet domestic demand for forest products, the volume of transshipment of timber originating from public lands across State borders, the effectiveness of rules issued and administered by States pursuant to this title, and trends in growth and productivity in the domestic timber processing sector.

(c) BASIS FOR INCREASE IN VOLUME PROHIBITED FROM EXPORT.—The Secretary of Commerce may increase the amount of unprocessed timber to be prohibited from export above the minimum amount specified in subsection (b)(2)(B) and (C), based on a determination that the purposes of this title have not been adequately met and that such an increase would further the purposes of this title. In making this determination, the Secretary shall consider—

(1) actions or decisions taken, for the purpose of conserving or protecting exhaustible natural resources in the United States, which have affected the use or availability of forest products;

(2) whether the volume of timber from public lands that is under contract has increased or decreased by an amount greater than 20 percent within the previous 12 months; and

(3) the probable effects of unprocessed timber exports on the ability of timber mills to acquire unprocessed timber.

(d) ADMINISTRATIVE PROVISIONS.—

(1) DELAY OF SECRETARY'S ORDER.—In the event that any order of the Secretary of Commerce under subsection (a) of its implementation is delayed for any reason, the prohibitions on exports under subsection (b) to which such order would apply shall apply in the absence of such order.

(2) ADMINISTRATION BY STATES.—Each State shall determine the species, grade, and geographic origin of unprocessed timber to be prohibited from export under subsection (b) and shall administer such prohibitions consistent with the intent of this title and ensure that the species, grades, and geographic origin of unprocessed timber prohibited from export is representative of the species, grades, and geographic origin of timber comprising such State's total timber sales program. The State is authorized to cooperate with Federal and State agencies with apropriate jurisdiction to further the intent of this title.

(3) STATE REGULATIONS.—(A) Except for States with annual sales of 400,000,000 board feet or less upon the date of the enactment of this Act, the Governor of each State to which this title applies, or such other State official as the Governor may designate, shall, within 120 days after the date of the enactment of this Act, issue regulations to carry out the purposes of this section, the promulgation of which shall be consistent with section 553 of title 5, United States Code. Such regulations in each State shall remain in effect until such time as the legislature of that State enacts such requirements as it deems appropriate to carry out this section. Before issuing such regulations, the Governor shall enter into formal consultation, concerning such regulations, with appropriate State officials and with a State Board of Natural Resources where such a board exists. When formulating regulations under this paragraph, the Governor shall take into account the intent of this title to effect a net increase in domestic processing of timber harvested from public lands consistent with all orders issued by the Secretary of Commerce under subsection (a).

(B) The Governor of each State with annual sales of 400,000,000 board feet or less upon the date of the enactment of this Act, or such other State official as the Governor may designate, shall, within 120 days after the date of enactment of this Act, issue regulations to carry out the purposes of this section. Until such regulations are issued in a State, the prohibitions contained in subsections (a) and (b) of section 490 shall apply to unprocessed timber originating from public lands in that State to the same extent as such prohibitions apply to unprocessed timber originating from Federal lands,

except that the provisions of subsection (c) of such section shall not apply.

(4) PRIOR CONTRACTS.—Nothing in this section shall apply to any contract for the purchase of unprocessed timber from public lands entered into before the effective date of a Secretary's order issued under subsedction (a).

(5) WESTERN RED CEDAR.—Nothing in this section shall be construed to supersede the provisions of section 7(i) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(i)).

(e) PRESIDENTIAL AUTHORITY.—The President is authorized, after suitable notice and a public comment period of not less than 120 days, to suspend the provisions of this section if a panel of experts has reported to the Contracting Parties to the General Agreement on Tariffs and Trade, or a ruling issued under the formal dispute settlement proceeding provided under any other trade agreement finds, that the provisions of this section are in violation of, or inconsistent with, United States obligations under that trade agreement.

(f) REMOVAL OR MODIFICATIONS OF STATE RESTRICTIONS.—Based upon a determination that it is in the national economic interest, the President may remove or modify any prohibition on exports from public lands in a State if that State petitions the President to remove or modify such prohibition.

(g) EFFECT OF PRIOR FEDERAL LAW.—No provision of Federal law which imposes requirements with respect to the generation of revenue from State timberlands and was enacted before the enactment of this Act shall be construed to invalidate, supersede, or otherwise affect any action of a State or political subdivision of a State pursuant to this title.

(h) SURPLUS TIMBER.—The prohibitions on exports contained in orders of the Secretary of Commerce issued under subsection (a) shall not apply to specific quantities of grades and species of unprocessed timber originating from public lands which the Secretary concerned determines by rule to be surplus to the needs of timber manufacturing facilities in the United States. Any such determination may, by rule, be withdrawn by the Secretary concerned if the Secretary determines that the affected timber is no longer surplus to the needs of timber manufacturing facilities in the United States.

(i) SUSPENSION OF PROHIBITIONS.—Notwithstanding any other provision of this section, beginning on January 1, 1998, and annually thereafter, if the President finds, upon review of the purposes and implementation of this title, that the prohibitions on exports required by subsection (a) no longer promote the purposes of this title, then the President may suspend such prohibitions, except that such suspension shall not take effect until 90 days after the President notifies the Congress of such finding.

(j) EXISTING AUTHORITY NOT AFFECTED.—Nothing in this title shall be construed to limit the authority of the President or the United States Trade Representative to take action authorized by law to respond appropriately to any measures taken by a foreign government in connection with this title.

SEC. 492. MONITORING AND ENFORCEMENT.

(a) MONITORING AND REPORTS.—In accordance with regulations issued under this section—

(1) each person who acquires, either directly or indirectly, unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States shall report the receipt and disposition of such timber to the Secretary concerned, in such form as such Secretary may by rule prescribe; except that nothing in this paragraph shall be construed to hold any person responsible for the reporting of the disposition of any such timber held by subsequent persons; and

(2) each person who transfers to another person unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States shall, before completing such transfer—

(A) provide to such other person a written notice, in such form as the Secretary concerned may prescribe, which shall identify the Federal origin of such timber;

(B) receive from such other person a written acknowledgment of such notice and a written agreement that such other person will comply with the requirements of this title, in such form as the Secretary concerned may prescribe; and

(C) provide to the Secretary concerned copies of all notices, acknowledgments, and agreements referred to in subparagraphs (A) and (B).

(b) REPORT TO CONGRESS.—Using the information gathered under subsection (a), the Secretaries of Agriculture and Interior shall, not later than June 1, 1995, submit to the Congress a report on the disposition of unprocessed timber harvested from Federal lands west of the 100th meridian in the contiguous 48 States, and recommendations concerning the practice of indirect substitution of such timber for exported timber harvested from private lands. Specifically, such report shall—

(1) analyze the effects of indirect substitution on market efficiency;

(2) analyze the effects of indirect substitution on domestic log supply;

(3) offer any recommendations that the Secretaries consider necessary for specific statutory or regulatory changes regarding indirect substitution;

(4) provide summaries of the data collected;

(5) analyze the effects of the provisions of section 490(b)(2)(C); and

(6) provide such other information as the Secretaries consider appropriate.

(c) CIVIL PENALTIES FOR VIOLATION.—

(1) EXPORTS.—If the Secretary concerned finds, on the record and after an opportunity for a hearing, that a person, with willful disregard for the prohibition contained in this title against exporting Federal timber, exported or caused to be exported unprocessed timber originating from Federal lands in violaiton of this title, such Secretary may assess against such person a civil penalty of not more than $500,000 of each violation, or 3 times the gross value of the unprocessed timber involved in the violation, whichever amount is greater.

(2) OTHER VIOLATIONS.—If the Secretary concerned finds, on the record and after an opportunity for a hearing, that a person has violated any provision of this title or any regulation issued under this title relating to lands which they administer (notwithstanding that such violation may not have caused the export of unprocessed Federal timber in violation of this title), such Secretary may—

(A) assess against such person a civil penalty of not more than $75,000 for each violation if the Secretary determines that the person committed such violation in disregard of such provision or regulation;

(B) assess against such person a civil penalty of not more than $50,000 for each violation if the Secretary determines that the person should have known that the action constituted a violation; or

(C) assess against such person a civil penalty of not more than $500,000 if the Secretary determines that the person committed such violation willfully.

(3) PENALTIES NOT EXCLUSIVE; JUDICIAL REVIEW.—A penalty assessed under this subsection shall not be exclusive of any other penalty provided by law and shall be subject to review in an appropriate United States district court.

(d) ADMINISTRATIVE REMEDIES.—

(1) DEBARMENT.—The head of the appropriate Federal department or agency under this title may debar any person who violates this title, or any regulation or contract issued under this title, from entering into any contract for the purchase of unprocessed timber from Federal lands for a period of not more than 5 years. Such person shall also be precluded from taking delivery of Federal timber purchased by another party for the period of debarment.

(2) CANCELLATION OF CONTRACTS.—The head of the appropriate Federal department or agency under this title may cancel any contract entered into with a person found to have violated this title or regulations issued under this title.

(e) EXCEPTION.—Subsections (c) and (d) do not apply to violations of section 498.

SEC. 493. DEFINITIONS.

For purposes of this title:

(1) The term "acquire" means to come into possession of, whether directly or indirectly, through a sale, trade, exchange, or other transaction, and the term "acquisition" means the act of acquiring.

(2) The term "Federal lands" means lands that are owned by the United States, but does not include any lands the title to which is—

(A) held in trust by the United States for the benefit of any Indian tribe or individual,

(B) held by any Indian Tribe or individual subject to a restriction by the United States against alienation, or

(C) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(3) The term "person" means any individual, partnership, corporation, association, or other legal entity and includes any subsidiary, subcontractor, or parent company, and business affiliates where 1 affiliate controls or has the power to control the other or when both are controlled directly or indirectly by a third person.

(4) The term "private lands" means lands held or owned by a perosn. Such term does not include Federal lands or public lands, or any lands the title to which is—

(A) held in trust by the United States for the benefit of any Indian tribe or individual,

(B) held by any Indian tribe or individual subject to a restriction by the United States against alienation, or

(C) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(5) The term "public lands" means lands west of the 100th meridian in the contiguous 48 States, that are held or owned by a State or political subdivision thereof, or any other public agency. Such term does not include any lands the title to which is:

(A) held by the United States;

(B) held in trust by the United States for the benefit of any Indian tribe or individual,

(C) held by any Indian tribe or individual subject to a restriction by the United Statges against alienation, or

(D) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(6) The term "Secretary concerned" means—

(A) the Secretary of Agriculture, with respect to Federal lands administered by that Secretary; and

(B) the Secretary of the Interior with respect to Federal lands administered by that Secretary;

(7)(A) The term "unprocessed timber" means trees or portions of trees or other roundwood not processed to standards and specifications suitable for end product use.

(B) The term "unprocessed timber" does not include timber processed into any one of the following:

(i) Lumber or construction timbers, except Western Red Cedar, meeting current American Lumber Standards Grades or Pacific Lumber Inspection Bureau Export R or N list grades, sawn on 4 sides, not intended for remanufacture.

(ii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, meeting current American Lumber Standards Grade or Pacific Lumber Inpsection Bureau Export R or N list clear grades, sawn on 4 sides, not to exceed 12 inches in thickness.

(iii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, that do not meet the grades referred to in clause (ii) and are sawn on 4 sides, with wane less than ¼ of any face, not exceeding 8 ¾ inches in thickness.

(iv) Chips, pulp, or pulp products.

(v) Veneer or plywood.

(vi) Poles, posts, or piling cut or treated with preservatives for use as such.

(vii) Shakes or shingles.

(viii) Aspen or other pulpwood bolts, not exceeding 100 inches in length, exported for processing into pulp.

(ix) Pulp logs or cull logs processed at domestic pulp mills, domestic chip plants, or other domestic operations for the purpose of conversion of the logs into chips.

(8) The acquisition of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States to be used in "substitution" for exported unprocessed timber originating from private lands means acquiring unprocessed timber from such Federal lands and engaging in exporting, or selling for export, unprocessed timber originating from private lands within the same geographic and economic area.

SEC. 494. EFFECTIVE DATE.

Except as otherwise provided in this title, the provisions of this title take effect on the date of the enactment of this Act.

SEC. 495. REGULATIONS AND REVIEW.

(a) REGULATIONS.—The Secretries of Agriculture and Interior shall, in consultation, each prescribe new coordinated and consistent regulations to implement this title on lands which they administer. The Secretary of Commerce shall promulgate such rules and guidelines as may be necessary to carry out this title. Except as otherwise provided in this title, regulations and guidelines under this subsection shall be issued not later than 9 months after the date of the enactment of this Act.

(b) REVIEW.—The Secretaries of Agriculture and Interior shall, in consultation, review the definition of unprocessed timber under section 493(7) for purposes of this title and, not later than 18 months after the date of the enactment of this Act, submit to the Congress any recommendations they have with respect to such definition. Specifically, the Secretaries shall report on the effects of maintaining 2 size standards under section 493(B)(ii) and (iii).

SEC. 496. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

SEC. 497. SAVINGS CLAUSE.

Nothing in this title, or regulations issued under this title, shall be construed to abrogate or affect any timber sale contract entered into before the effective date of this title.

SEC. 498. EASTERN HARDWOODS STUDY.

(a) STUDY.—The Secretary of Commerce, in conjunction with the Secretary of Agriculture and the Secretary of the Interior, shall conduct a study of the export from the United States, during the 2-year period beginning on January 1, 1991, of unprocessed hardwood timber harvested from Federal lands or public lands east of the 100th meridian. In order to carry out the provisions of this section—

(1) the Secretary of Commerce shall require each person exporting such timber from the United States to declare, in addition to the information normally required in the Shipper's Export Declarations, the State in which the timber was grown and harvested; and

(2) the Secretary of Agriculture and the Secretary of the Interior shall ensure that all hardwood saw timber harvested from Federal lands east of the 100th meridian is marked in such a manner as to make it readily identifiable at all times before its manufacture, and shall take such steps as each Secretary considers appropriate to ensure that such markings are not altered or destroyed before manufacturing.

(b) REPORT TO CONGRESS.—Not later than April 1, 1993, the Secretary of Commerce shall submit to the Committees on Agriculture, Interior and Insular Affairs, and Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the volume and value of unprocessed timber grown and harvested from Federal lands or public lands east of the 100th meridian that is exported from the United States during the 2-year period beginning on January 1, 1991, the country to which such timber is exported, and the State in which such timber was grown and harvested.

SEC. 499. AUTHORITY OF EXPORT ADMINISTRATION ACT OF 1979.

Nothing in this title shall be contrued to—

(1) prejudice the outcome of pending or prospective petitions filed under, or

(2) warrant the exercise of the authority contained in,

section 7 of the Export Administration Act of 1979 with respect to the export of unprocessed timber.

And the House agree to the same.

From the Committee on Ways and Means, for consideration of the House amendment to the Senate amendment, and the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
BILL ARCHER,
GUY VANDER JAGT,
PHIL CRANE,
BILL FRENZEL,

As additional conferees, solely for consideration of title II of the House amendment to the Senate amendment, and for title II of the Senate amendment, and modifications committed to conference:

J.J. PICKLE,
RICHARD T. SCHULZE,

From the Committee on Agriculture, for consideration of title VI and VII of the Senate amendment, and modifications committed to conference:

DE LA GARZA,
HAROLD L. VOLKMER,
GEORGE E. BROWN, Jr.,
JIM OLIN,
RICHARD STALLINGS,
SID MORRISON,
ROBERT F. SMITH,
WALLY HERGER,

From the Committee on Interior and Insular Affairs, for consideration of title VI and VII of the Senate amendment, and modifications committed to conference:

MO UDALL,
BRUCE F. VENTO,
PAT WILLIAMS,
PETER DEFAZIO,
J. MCDERMOTT,
DON YOUNG,
LARRY E. CRAIG,
DENNY SMITH,

From the Committee on Foreign Affairs, for consideration of titles VI and VII of the Senate amendment, and modifications committed to conference:

DANTE B. FASCELL,
HOWARD WOLPE
SAM GEJDENSON,
PETER H. KOSTMAYER,
EDWARD F. FEIGHAN,
WM. BROOMFIELD,
TOBY ROTH,
JOHN MILLER,

Managers on the Part of the House.

LLOYD BENTSEN,
DANIEL PATRICK MOYNIHAN,
BOB PACKWOOD,
BOB DOLE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 1594) to make miscellaneous and technical changes to various trade laws, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House amendment struck out all of the Senate amendment after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the House amendment and the Senate amendment. The differences between the Senate amendment, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, con-

forming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

H.R. 1594, AS AMENDED

Short title and table of contents (section 1 of House bill; section 1 of conference agreement)

Present Law

No provision.

House Bill

This Act may be cited as the "Customs and Trade Act of 1990."

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

TITLE I—TRADE AGENCY AUTHORIZATIONS, CUSTOMS USER FEES, AND OTHER PROVISIONS

SUBTITLE A—TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1991 AND 1992

United States International Trade Commission (section 101 of House bill; section 3002 of Senate amendment; section 101 of conference agreement)

Present Law

Section 2 of Public Law 101-207, which was enacted subsequent to the appropriation Act, authorized appropriations of $39,943,000 for FY 1990 to the U.S. International Trade Commission (ITC). The FY 1990 appropriation to the ITC (Public Law 101-162, enacted November 21, 1989) is $38,477,000 ($39,000,000 less Gramm/Rudman sequestration).

House Bill

Section 101 amends section 330(e)(2) of the Tariff Act of 1930 to provide an authorization of appropriations of $41,170,000 for FY 1991 and $44,052,000 for FY 1992. Of the amounts authorized, not more than $2,500 may be used for reception and entertainment expenses, subject to the approval of the Chairman.

Senate Amendment

Section 3002 provides an authorization of appropriations of $42,430,000 for FY 1991 and $46,673,000 for FY 1992. Identical provision regarding reception and entertainment expenses.

Conference Agreement

The Senate recedes.

United States Customs Service (section 102 of House bill; section 3003 of Senate amendment; section 102 of conference agreement)

Present Law

The FY 1990 Customs authorization (Public Law 101-207), enacted subsequent to the Treasury Department appropriation, authorized $1,075,290,000 for salaries and expenses and $128,128,000 for operations and maintenance of the Air Interdiction Program. For noncommercial operations, the Act authorized $440,504,000; for commercial operations, $615,247,000 was authorized.

The FY 1990 Treasury Appropriation Act (Public Law 101-136) appropriated $1,059,634,000 for Customs salaries and expenses and $196,728,000 for Air Interdiction. The FY 1990 Department of Transportation Appropriation Act (Public Law 101-164) provided supplemental emergency drug funding to Customs in the amount of $18 million for salaries and expenses, thereby bringing the total appropriated amount to $1,077,600,000. For Air Interdiction, the Act provided an additional $35.8 million, for a total appropriated level of $232.5 million for operations and maintenance.

Due to sequestration absorptions and transfers, the total budget authority available for the current fiscal year for salaries and expenses is $1,065,090,000 and 16,663 FTE positions. For Air Interdiction operations and maintenance, the adjusted total is $230,528,000.

House Bill

Section 102 amends section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 to authorize appropriations for FY 1991 for salaries and expenses incurred in noncommercial (enforcement) operations in an amount not to exceed $510,551,000. Section 102(b) also authorizes an appropriation from the Customs User Fee Account for Customs commercial operations in an amount not less than $672,397,000 for FY 1991. For operations and maintenance of the Air Interdiction Program, subsection (b) authorizes $143,047,000.

For FY 1992, section 102 authorizes the following amounts for salaries and expenses: a maximum of $536,079,000 for noncommercial operations and a minimum of $706,017,000 for commercial operations. For Air Interdiction operations and maintenance in FY 1992, $150,199,000 is authorized.

Senate Amendment

Section 3003 provides an authorization of appropriations for salaries and expenses incurred in noncommercial operations of $521,882,000 in FY 1991.

The authorization of appropriations from the Customs User Fee account for Customs commercial operations is $671,645,000 for FY 1991. For operations and maintenance of the Air Interdiction Program, the section authorizes $143,047,000, the same as the House bill.

For FY 1992, section 3003 authorizes the following amounts for salaries and expenses: $547,958,000 for noncommercial operations and $705,569,000 for commercial operations. For Air Interdiction operations and maintenance in FY 1992, $163,047,000 is authorized.

Conference Agreement

The conferees agree to merge the House and Senate provisions in the following manner: provide a statutory funding floor for commercial operations and a ceiling on noncommercial (enforcement) operations; authorize appropriations of no more than $516,217,000 in fiscal year 1991 and no more than $542,019,000 in fiscal year 1992 for salaries and expenses incurred in noncommercial operations; authorize appropriations of no less than $672,021,000 in fiscal year 1991 and no less than $705,793,000 for fiscal year 1992 for salaries and expenses incurred in commercial operations. The authorized appropriations for commercial operations are from the User Fee Account, except that for salaries and expenses incurred in processing merchandise exempt from the user fee, amounts are appropriated from the general fund. For operations and maintenance of the Air Interdiction program, House and Senate provisions for the fiscal year 1991 authorization of appropriations are identical at $143,047,000. For fiscal year 1992 the Senate recedes to the House authorization of $150,199,000.

Office of the United States Trade Representative (section 103 of House bill; section 3001 of Senate amendment; section 103 of conference agreement)

Present Law

Section 141(g)(1) of the Trade Act of 1974 authorizes an annual appropriation to the Office of the U.S. Trade Representative (USTR). Public Law 101-207, enacted subsequent to the appropriation Act, authorizes total appropriations to the USTR for FY 1990 of $19,651,000. An additional $1,492,000 was authorized separately as an amendment to section 406(b)(1) of the United States-Canada Free-Trade Agreement (FTA) Implementation Act of 1988 to fund the U.S. share of expenses for Chapter 19 binational review panels under the FTA. The combined authorization for USTR for FY 1990 was $21,143,000.

The total appropriation to the USTR for FY 1990 (Public Law 101-162) is $17,778,000 ($18,000,000 less Gramm/Rudman sequestration), of which a maximum $89,000 is available for official reception and representation expenses and $1,000,000 shall remain available until expended. The total appropriation includes $1,000,000 to cover estimated expenses of Chapter 19 panels under the U.S.-Canada FTA.

House Bill

Section 103 amends section 141(g)(1) of the Trade Act of 1974 to provide a two-year authorization of appropriations to the USTR totaling $23,250,000 for FY 1991 and $21,077,000 for FY 1992. Of these amounts, not to exceed $98,000 is available in each of the two fiscal years for entertainment and representation expenses and $1,000,000 in each year shall remain available until expended. The total authorization for each of fiscal years 1991 and 1992 includes $2,050,000 to cover the U.S. share of estimated expenses of Chapter 19 binational review panels under the U.S.-Canada FTA.

Senate Amendment

Section 3001 authorizes the same total appropriation to USTR as the House bill. However, it amends the 1974 Trade Act and the U.S.-Canada FTA Implementation Act to divide the authorization as follows: FY 1991—$21,200,000 for USTR functions and $2,050,000 for U.S.-Canada FTA expenses; and FY 1992—$19,027,000 for USTR functions and $2,050,000 for U.S.-Canada FTA expenses.

Conference Agreement

The Senate recedes on the inclusion of the total authorization levels in section 141(g) of the Trade Act of 1974, with an amendment to specify under section 141(g) that the total amounts authorized for each of fiscal years 1991 and 1992 include not to exceed $2,050,000 that may be used to pay the U.S. share of expenses for Chapter 19 binational reviews under the U.S.-Canada FTA.

The House recedes on amending section 406(b) of the U.S.-Canada Free Trade Agreement Implementation Act, with an amendment to authorize USTR to transfer to any administering department or agency such sums as may be necessary from appropriations authorized under section 141(g) of the Trade Act to pay for Chapter 19 binational review expenses.

SUBTITLE B—CUSTOMS USER FEES

Customs user fees (section 111 of House bill; section 4002 of Senate amendment; section 111 of conference agreement)

Present Law

Section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, as amended in 1986 and 1987, requires the Secretary of the Treasury to collect a customs user fee from the importer of record to cover the costs of processing dutiable or duty-free merchandise formally entered or withdrawn from warehouse for consumption. For entries on or after October 1, 1987, the fee is the lesser of 0.17 percent ad valorem, or an ad valorem rate the Secretary estimates will provide an amount of revenue during the fiscal year equal to the total authorization of appropriations for conducting Customs Service commercial operations reduced by any excess of the total amount authorized over the total amount actually appropriated, except that if appropriations are not authorized for the fiscal year, the fee shall be 0.17 percent ad valorem. The current fee level is 0.17 percent ad valorem.

Exempted from application of the fee are products of Caribbean Basin Initiative beneficiary countries, of U.S. insular possessions, and entries under chapter 98 of the Harmonized Tariff Schedule (except for foreign value included in products assembled abroad from U.S. components or materials or in U.S. articles returned after repair or alteration abroad). Until the enactment of the Harmonized Tariff System in the 1988 Trade Act, products of least developed developing countries were also exempt, at which time they were inadvertently made subject to such fees. In addition, in compliance with the U.S.-Canada Free-Trade Agreement, such fees on goods of Canadian origin are to be phased out and eliminated by January 1, 1994.

Receipts from the fees are deposited into a dedicated "Customs User Fee Account" within the general fund of the Treasury, with one sub-account consisting of the receipts from the merchandise processing fee and a second sub-account consisting of the receipts from the vehicle and passenger fees. Subject to authorization and appropriations, all funds in the Account are available to pay the costs incurred by the Customs Service in conducting commercial operations and are treated as receipts offsetting expenditures of salaries and expenses for these purposes, except for that portion of the fees that is required for the direct reimbursement of appropriations for costs incurred by the Customs Service in providing inspectional overtime and preclearance services.

House Bill

Section 111 revises user fee authority for processing merchandise entries as a one-year interim measure pending a six-month study by the General Accounting Office (GAO) of the costs of Customs commercial operations. For fiscal year 1990, the user fee on any formal merchandise entry is 0.17 percent ad valorem or $575, whichever is less. These levels could be adjusted as under current law to reflect actual amounts appropriated for commercial operations. No fee is applicable to informal entries.

Costs of air passenger processing, export controls, and international affairs activities are not included in calculating the interim fee for commercial services to individual importers.

There is no change in the exemptions from fee application (except for the potential exemption of Israel the restoration of the exemption for least developed developing countries (LDDC's)), but the costs of processing such entries are funded from general revenues rather than from receipts in the Customs User Fee Account collected on other entries.

Senate Amendment

Section 4002 revises user fee authority for processing merchandise entries during FY 1991, although there is no provision for the GAO study. For FY 1991, the user fee on formal entries is the lesser of 0.17 percent ad valorem or $550 on automated entries ($553 on manual entries). Such entries are subject to a minimum fee of $20 on automated entries ($23 on manual entries). These levels are not subject to adjustment. No fee is applicable to informal entries. Articles excluded from the calculation of the fee and the exemptions from fee application are identical in substance to the House provision (except for no potential exemption of Israel and the restoration of the exemption for the LDDC's).

Conference Agreement

The conference agreement replaces the current fee with a new fee structure that is intended to bring the United States into conformance with the General Agreement on Tariffs and Trade (GATT). The conferees have spent considerable time and effort ensuring that this new fee structure conforms to the international obligations of the United States under that agreement.

The fee is being amended in response to a GATT panel ruling that the current fee structure is not consistent with GATT Article VIII. The findings and recommendations of that panel were adopted by the GATT Contracting Parties, including the United States, in February 1988.

In making its determination, the GATT panel recognized that the application of a customs user fee is, in principle, permitted under the GATT. However, the panel ruled that certain aspects of the U.S. merchandise processing fee were inconsistent with the United States' GATT obligations. In particular, the panel ruled that the across-the-board ad valorem nature of the U.S. fee schedule did not meet Article VIII's requirement that such charges, if not import duties or domestic taxes, must be limited in amount to the approximate cost of the services rendered. In addition, the panel ruled that the fee had been set at a level that offset the cost of Customs operations not directly related to merchandise import processing and the cost of the processing of imports excluded from the fee. The panel also noted that, in some years, revenues collected exceeded the total cost of the commercial Customs Service operations.

The new fee schedule is structured to respond to this ruling and to bring the U.S. into conformity with its GATT obligations. As required by the relevant provisions of Articles II and VIII of the GATT, the new fee schedule limits the fees charged to the approximate cost of the services rendered. It also limits the fee to Customs operations related to merchandise processing and to the processing of imports covered by the fee. Fee revenues also are established so as to approximate the cost of the commercial Customs services. As a result, the new fee schedule represents the type of fee permitted under GATT Article VIII. It does not represent an indirect protection to domestic products nor does it represent a taxation of imports for domestic purposes.

For each formal entry, the new fee schedule imposes an ad valorem fee of 0.17 percent, subject to a maximum fee of $400 and a minimum fee of $21. All entries would be subject to an additional $3 surcharge if filed manually. Specific provisions prevent entry consolidation.

The maximum and minimum fee levels ensure that imports of very high or very low value items, which might not differ substantially in the cost of import processing, do not pay unduly different import fees. The maximum and minimum levels eliminate the excess collections on high value entries associated with the current across-the-board ad valorem fee. As a result, it also avoids the subsidization of low-value entries.

Other features of this fee have been introduced to ensure that the fee more accurately reflects actual processing costs. The $3 surcharge reflects the greater expense to the Customs Service in processing entries manually rather than through automated methods. Similarly, the prevention of consolidation helps prevent the avoidance of fee payment, which can lead to less accurate assessments of processing costs. As a result, the formal fee schedule as closely as feasible approximates the cost of processing individual transactions. It reflects the intent of the conferees to make the fee structure as equitable and predictable as possible, and sufficiently easy to administer that the fee does not become, in itself, a barrier to trade.

The conference agreement also establishes fees on informal entries, which are not covered under the current merchandise processing fee. The agreement establishes a flat fee schedule with three categories: 1) $2 for automated, non-Customs-prepared informal entries; 2) $5 for manual, non-Customs-prepared informal entries; and 3) $8 for Customs-prepared informal entries. In lieu of these informal fees, air courier facilities and other reimbursable facilities would be subject to a reimbursement for Customs' processing costs to be collected at a rate of twice the assessment currently applied at courier hubs. Also, the courier industry's current 80 percent offset would be eliminated.

This expansion of the current fee to cover informal entries reflects the recognition of the conferees that all entries cost money to process. However, it also takes into account that in general informal entries are the least time-consuming and least costly category of entries processed by Customs. It attempts to reflect as closely as possible and practicable the differences in costs to process entries that are not custom-prepared, and to ensure that prior reimbursements are taken into account. It also retains the $3 differential, contained in the formal fee structure, between the charges imposed on manual versus automated entries. The conferees believe that the informal fee schedule as closely as feasible approximates the cost of processing individual transactions.

The conference agreement also includes several other features that are intended to meet U.S. obligations under the GATT. The conference agreement explicitly states that those operations identified by the GATT panel as inappropriate (e.g., activities associated with passenger processing, export controls and international affairs) are not funded out of the merchandise processing fee. The agreement also specifies that fees may in no case be used to offset the cost of processing imports excluded from the fee. Similarly, application of the fee to Canadian trade will continue to be phased out (in accordance with the U.S.-Canada Free-Trade Agreement), and the USTR may ne-

gotiate similar treatment for Israel, but in neither case can merchandise processing fees be charged to offset the relevant costs. These changes further help ensure that revenues collected from the merchandise processing fee will not exceed the anticipated cost of covered commercial services.

With respect to entries at ports along the northern border of the U.S. prior to the full implementation of Customs' cargo selectivity system, the conference agreement provides that the applicable fees shall be imposed at the automated rate. The conference agreement also restores the fee exemption for LDDC's.

Treatment of railroad cars (section 4002(e) of Senate amendment; section 111(b)(1)(B) of conference agreement)

Present Law

Current practice of the Customs Service currently is to impose the COBRA fee on each railroad car arriving at a port of entry in the United States. Exempted from that fee are railroad cars which are "in transit" (e.g., those that are parts of trains that originated in the United States, crossed over into Canada, and returned to the United States).

Customs recently announced its intention to collect the fee on all cars in a train, whether or not cargo has been loaded or unloaded, if any car is added or dropped off the train, if a locomotive is switched out, or if the train is redesignated for purposes of railroad operations.

House Bill

No provision.

Senate Amendment

Section 4002(e) provides that the COBRA fee shall not be imposed on the arrival of any railroad car, when the journey of the car originates and terminates in the same country and if no passengers board or disembark from the train and no cargo is loaded or unloaded from the car while the car is outside the country of origination or destination.

Conference Agreement

The House recedes, with an amendment to apply the provision retroactively to July 7, 1986.

Agricultural products processed and packed in foreign trade zones (section 4002(a)(2)(D) of Senate amendment; section 111(b)(2)(D)(v) of conference agreement)

Present Law

As a result of a 1988 Customs ruling, the practice of the Customs Service is to assess the merchandise processing fee against the entire value of articles packed in non-reusable containers, whether of foreign or domestic origin, which are formally entered into U.S. Customs territory from a foreign trade zone.

House Bill

No provision.

Senate Amendment

Section 4002(a)(2)(D) provides that, in the case of agricultural products of the United States that are processed and packed in a foreign trade zone, the user fee should be applied solely to the value of material used to make the container for the merchandise, if it is subject to entry and the container is of a kind normally used for packing such merchandise.

Conference Agreement

The House recedes.

Disposition of surplus fees (section 4002(b) of Senate amendment; section 111(c) of conference agreement)

Present Law

Section 13031(a) of the COBRA establishes a schedule of flat-rate user fees (the "COBRA fees") on various conveyances and air passengers arriving from abroad and on dutiable mail and customs broker permits. The fees are paid into a dedicated account and used to pay the costs of Customs' overtime inspectional services and preclearance operations.

Under present law, any surplus from the fee (i.e., the amount beyond the funds needed to pay the costs of services and preclearance operations) is deposited in a user fee fund.

House Bill

No provision.

Senate Amendment

Section 4002(b) authorizes the Commissioner of Customs to use any surplus from the fee to hire full- and part-time personnel, buy equipment, or satisfy other direct expenses necessary to provide service directly to the payers of the fee. The amendment also provides that $30 million of such surplus shall be reserved to maintain staffing levels equal to those existing in the prior year in the event Customs collections are reduced due to an economic downturn or other causes.

Conference Agreement

The House recedes, with an amendment to require administrative apportionment of any additional spending on full and part-time personnel and equipment beyond the direct costs of Customs' overtime inspectional services and preclearance operations.

This overall provision is intended to address the ongoing problem where Customs has delayed or not approved landing rights for new or expanded international flights already approved by the Transportation and State Departments. The conferees intend that the additional funds authorized for increased full and part time staff and equipment be used to alleviate this problem, so that the lack of Customs staffing resources is no longer a factor in approving new or expanding international service.

The provision requiring administrative apportionment reflects the view of the conferees that there should be sufficient controls over budget and accounting processes of the Customs Service. The intent of the apportionment requirement is to ensure that there are adequate administrative controls and scrutiny over the newly authorized spending activities.

Enforcement authority (section 112 of House bill; section 111(d) of conference agreement)

Present Law

No provision.

House Bill

Section 112 applies all administrative and enforcement provisions of customs laws and regulations (except those relating to drawback and except to the extent otherwise provided in regulations) to any customs user fee imposed under section 13031(a) (i.e., fees on passengers, vehicles, or merchandise) and to persons liable for such fees, as if the fee is a customs duty. Any penalty expressed in terms of a relationship to the amount of the duty will be treated as not less than the amount bearing a similar relationship to the amount of user fee assessed. Any customs user fee would also be treated like a customs duty for purposes of determining the jurisdiction of any U.S. court or agency. This enforcement authority would apply to both the existing and interim fees with respect to merchandise.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Extension of customs user fee program (section 115 of House bill; section 4002(c) of Senate amendment; section 111(e) of conference agreement)

Present Law

The authority under section 13031(a) of the COBRA to impose customs user fees for the processing of either passengers and vehicles or merchandise terminates on September 30, 1990.

House Bill

Section 115 amends section 13031(j)(3) of the COBRA to extend the passenger and vehicle fees for one year until September 30, 1991. The amended merchandise processing fee expires on September 30, 1990.

Senate Amendment

Section 4002(c) extends the amended merchandise processing fees for one year through FY 1991, and extends the passenger and vehicle fees for 15 years through FY 2005.

Conference Agreement

The House recedes, with an amendment to extend both the merchandise processing fee and the passenger and vehicle fees for one year, through FY 1991.

Entries under temporary monthly entry programs (section 4002(d) of Senate amendment; section 111(f) of conference agreement)

Present Law

The Customs Service operates a monthly entry program under which importers of certain entries are permitted to file entry summaries on a monthly basis as opposed to the normal 10-day basis. The program was established for the purpose of improving entry processing.

House Bill

No provision.

Senate Amendment

Section 4002(d) provides that for entries under monthly entry programs established by Customs prior to July 1, 1989, for the purpose of improving entry processing, the user fee is to be applied on the aggregate value (up to the fee cap) of each day's importations at each port of entry by each importer from the same exporter. These fees are to be paid with each monthly consumption entry, with interest accruing in accordance with section 6621 of the Internal Revenue Code of 1986.

Conference Agreement

The House recedes.

Exemption of Israeli products from user fees (section 113 of House bill; section 112 of conference agreement)

Present Law

Products of Israel are subject to the customs user fee.

House Bill

Section 113 exempts products of Israel from the existing and interim commercial processing fee if the U.S. Trade Representative determines that the Government of Israel has provided reciprocal concessions in

exchange for the exemption. The exemption would apply to any product of Israel entered, or withdrawn from warehouse for consumption, on or after the 15th day after the determination is published in the Federal Register, but not before October 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with an amendment to make October 1, 1990, the earliest effective date for implementation of any changes with respect to the user fee applicable to products of Israel.

Customs Service administration (section 114 of House bill; section 113 of conference agreement)

Present Law

No provision.

House Bill

Section 114 requires the Comptroller General of the United States to report, within 180 days after the effective date of this section, to the House Committee on Ways and Means and the Senate Committee on Finance on the costs incurred by the Customs Service in conducting commercial operations and on appropriate fees to be charged to service beneficiaries.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with an amendment to require the Customs Service to provide to the Committees more complete information on merchandise processing costs and how the merchandise processing fee is calculated. The amendment requires changes to Customs' cost accounting systems, new labor distribution surveys, annual fee re-calculations and a detailed explanation of the cost base and methodology used to compute the fee.

GAO report on entries by mail (section 114 of conference agreement)

The conference agreement includes a provision directing the General Accounting Office (GAO) to study and report to the House Committee on Ways and Means and the Senate Committee on Finance on the extent to which fees are being collected on entries by mail. The GAO report is due eight (8) months after date of enactment of this Act. This provision results from the conferees' concern over reports that the Postal Service may not be collecting all charges, including duties, on mail imports, thereby placing at a disadvantage one segment of the importing community.

Effective date (section 116 of House bill; section 4002(f) of Senate amendment; section 115 of conference agreement)

Present Law

No provision.

House Bill

All provisions on customs user fees take effect on October 1, 1989, except section 113 (Israel exemption) takes effect on date of enactment.

Senate Amendment

All provisions on customs user fees take effect on October 1, 1990.

Conference Agreement

The House recedes, with an amendment to make section 111(b)(1)(B) (relating to railroad cars) and section 111(d) (relating to enforcement authority) effective on date of enactment of the Act. All other provisions would take effect on October 1, 1990.

SUBTITLE C—MISCELLANEOUS CUSTOMS PROVISIONS

Customs forfeiture fund (section 121 of House bill; section 121 of conference agreement)

Present Law

The Anti-Drug Abuse Act of 1988 (19 U.S.C. 1613b(e)) requires an annual report to Congress by the Commissioner of Customs on the financial and management status of the Customs Forfeiture Fund.

Section 616(c) of the Tariff Act of 1930 authorizes Customs to share forfeited seized property with State and local law enforcement agencies, the Civil Air Patrol, and, under certain conditions, foreign governments, which participated in Customs law enforcement activities. However, sharing of forfeited seized cash or the proceeds of sales of forfeited seized property from the Fund is not specifically authorized (19 U.S.C. 1613b).

The 1988 Drug Act also authorized an appropriation of up to $20 million from the Customs Forfeiture Fund for each fiscal year to carry out the discretionary purposes of the Fund. A permanent authorization for nondiscretionary costs of processing forfeiture was included. At the end of each fiscal year, any unobligated amount above $15 million will be deposited into the general fund.

House Bill

Section 121 requires the Customs Forfeiture Fund Annual Report to include a complete set of audited financial statements for the previous fiscal year consistent with the requirements of the Comptroller General.

Section 121 also requires Customs to deposit all forfeited cash into the Fund, and provides the necessary authority for associated asset sharing payments involving forfeited cash and the proceeds of sales of forfeited seized property to be made from the Fund.

Section 121 authorizes $20 million for discretionary purposes of the Fund, of which $14,855,000 for FY 1991 and $15,598,000 for FY 1992 are available to the Customs Service.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Increase in value subject to administrative forfeiture; processing of money seized under the customs laws (section 122 of House bill; section 122 of conference agreement)

Present Law

Section 607(a) of the Tariff Act of 1930 requires that seized conveyances, merchandise, or baggage over $100,000 in value must be forfeited under a judicial process, rather than through an administrative process within the applicable law enforcement agency. This provision applies to forfeiture proceedings of the U.S. Customs Service, as well as the Drug Enforcement Administration, the Immigration and Naturalization Service, and the Federal Bureau of Investigation. There is no value limit on conveyances that contain illegal drugs. The provision does not apply to real property cases.

Section 607(a) also requires that all cash seizure cases over $100,000 in value must be forfeited under a judicial process, rather than through an administrative process within the Customs Service.

House Bill

Section 122 increases from $100,000 to $500,000 the value of seized conveyances, merchandise, or baggage subject to summary (administrative) forfeiture proceedings in uncontested cases. Section 122 also removes the $100,000 limit on administrative forfeiture proceedings in uncontested cash seizure cases. The Customs Service is required to report to Congress annually on delays in processing uncontested cash cases over 120 days.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Annual national trade and customs law violation estimates and enforcement strategy (section 123 of House bill; section 123 of conference agreement)

Present Law

No provision.

House Bill

Section 123(a) requires the Customs Service to submit annually to the House Committee on Ways and Means and Senate Committee on Finance a report estimating, for the coming fiscal year and each fiscal year thereafter, the likelihood of violations of trade, customs, and illegal drug laws enforced by Customs, and the relative threat of these violations among Customs ports and regions. The Commissioner of Customs is directed to compile a list of applicable statutes in consultation with the Committees. Under section 123(c), the Commissioner is directed to develop and submit to the Committees a nationally uniform enforcement strategy based on the threat assessment. The required reports are confidential and restricted to designated employees of Customs and the Committees.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Reports regarding expansion of customs preclearance operations and recovery for damage resulting from customs examinations (section 124 of House bill; section 124 of conference agreement)

Present Law

There are no reporting requirements regarding Customs foreign preclearance operations or recourse to importers for damaged imported merchandise under present law. Section 629 of the Tariff Act of 1930 (19 U.S.C. 1629) does provide statutory authority for customs inspections and preclearance operations in foreign countries.

The Federal Tort Claims Act, 28 U.S.C. 1346(b), provides that the United States shall be liable for injury or loss of property caused by negligent or wrongful acts or omissions of any employee. However, 28 U.S.C. 2680(c), exempts any claims against the United States which arise from "the detention of any goods or merchandise by an officer of customs." This provision has been interpreted by the Supreme Court to exempt not only damage caused by the detention of goods, but also any damage caused by Customs officers during the period of detention. The Small Claims Act, 31 U.S.C. 3723, authorizes agencies to make discretionary settlements of $1,000 or less for loss of privately owned property damaged through the negligence of an employee of the United States.

House Bill

Section 124(a) requires the Secretary of the Treasury, in consultation with the Secretary of State, to study the feasibility of expanding U.S. Customs preclearance operations to additional foreign airports and report to the House Committee on Ways and Means and Senate Committee on Finance by February 1, 1991.

Section 124(b) requires the Secretary of the Treasury, in consultation with the Attorney General, to develop legal proposals to compensate importers for damages to merchandise damaged during customs inspection. A report with legislative recommendations must be submitted to the Committees by February 1, 1991. Section 124 also requires the Commissioner of Customs to annually provide merchandise damage statistics to the Committees.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

SUBTITLE D—MISCELLANEOUS PROVISIONS

Treatment of Czechoslovakia and East Germany under the Generalized System of Preferences (section 125 of House bill; section 131 of conference agreement)

Present Law

Title V of the Trade Act of 1974 authorizes the President to designate developing countries as beneficiaries of preferential duty-free treatment on eligible articles under the Generalized System of Preferences (GSP) program, subject to certain specific statutory criteria. Section 502(b) prohibits the President from designating a specific list of countries as GSP beneficiaries. Czechoslovakia and East Germany are the only East European countries remaining on this statutory exclusion list.

House Bill

Section 125 amends section 502(b) of the Trade Act of 1974 to remove Czechoslovakia and East Germany from the statutory exclusion list. Section 125 does not amend any of the criteria under present law that the President must determine are met or take into account before designating either country as a GSP beneficiary.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Technical amendments regarding nondiscriminatory trade treatment (section 127 of House bill; section 4001 of Senate amendment; section 132 of conference agreement)

Present Law

Title IV of the Trade Act of 1974—the so-called Jackson-Vanik amendment—sets forth three specific freedom of emigration requirements which must be met, or waived by the President, and minimum provisions which must be included in a bilateral commercial agreement in order for the President to grant most-favored-nation (MFN) trade status to a nonmarket economy country.

Sections 405(c) and 407(c) provide that a trade agreement and the Presidential proclamation granting MFN treatment shall take effect only after adoption by the House and Senate of a concurrent resolution of approval under the fast-track implementing-procedures of section 151. (House and Senate rules provide a maximum of 90 legislative days for adoption of a concurrent resolution.)

Annual Presidential recommendations under section 402(d)(5) for a 12-month extension of authority to waive Jackson-Vanik freedom of emigration requirements (either generally or for specific countries) are subject to a resolution of disapproval by either the House or the Senate, adopted under the fast-track procedures of section 153 within 60 calendar days after expiration of the previous waiver extension. (Recommendations must be submitted at least 30 calendar days prior to expiration of the waiverauthority).

Presidential reports submitted by December 31 of each year under section 407(c) regarding a country's compliance with the Jackson-Vanik freedom of emigration requirements are subject to a resolution of disapproval by either the House or the Senate, adopted under the fast-track procedures of section 152 within 90 legislative days. (Presidential reports must be submitted by June 30 and December 31 each year for countries the President determines to be meeting the Jackson-Vanik freedom of emigration requirements. However, only those reports submitted pursuant to the December 31 deadline are subject to Congressional disapproval.)

House Bill

Section 127 amends sections 402(d)(5), 405(c), and 407(c) to provide for the use of a joint resolution of approval of trade agreements; and a joint resolution of disapproval of Presidential waivers or reports with respect to the Jackson-Vanik freedom of emigration requirements. Section 127 also removes from Title IV certain provisions which have expired and makes conforming amendments in sections 151-153 with respect to the form of resolutions and the elimination of expired provisions. No changes are made in the 60 or 90 day periods or in the rules and procedures for Congressional consideration of resolutions.

Senate Amendment

Section 4001 contains the same provisions as the House bill, except the Senate amendment extends the time periods for Congressional consideration of resolutions as follows: (1) for resolutions disapproving a Presidential waiver of the Jackson-Vanik freedom of emigration requirements, the time period is extended from 60 to 105 calendar days; and (2) for resolutions disapproving a Presidential determination that a country is in compliance with the Jackson-Vanik freedom of emigration requirements, the time period is extended from 90 to 135 legislative days.

Conference Agreement

The Senate recedes, with an amendment to clarify that the "fast-track" procedures of section 153 of the Trade Act of 1974 are triggered by the introduction of a resolution of disapproval on or after the date that the President recommends to Congress that the waiver authority be extended. Because a Presidential recommendation must be made at least 30 calendar days before the previous year's waiver authority expires (i.e. by no later than June 3); and because Congress has up to 60 calendar days following the expiration of that waiver authority to pass a resolution (i.e., by no later than September 3); in effect, Congress has 90 calendar days in which to pass a resolution disapproving a Jackson-Vanik waiver. The conferees also agreed to provide an additional 15 legislative days for Congressional consideration of any veto message relating to a resolution of disapproval (of waiver extensions or compliance reports). The 15-day period is calculated in accordance with section 154 of the Trade Act of 1974 and begins on the date on which the veto message is received by the Congress. Most-favored-nation treatment of the products of a country will terminate 60 calendar days after enactment of a resolution disapproving a Presidential waiver or compliance report, rather than terminating on the date such a resolution is adopted, as under current law.

The conferees also agreed to the following technical and clarifying amendments with respect to the procedures for consideration of disapproval resolutions:

(i) An amendment to House rules under section 152(c) providing that a Member may make a motion to discharge the Committee on Ways and Means from further consideration of a resolution of disapproval only on the second legislative day after the calendar day on which the Member announces to the House the intention to make the motion. This rule will give all Members advance notice of a date certain on which the motion will be made.

(ii) An amendment to Senate rules under section 152 providing necessary procedures to assure that final action in the Senate on any resolution of disapproval occurs with respect to the House-passed measure. This provision is necessary since resolutions of disapproval are revenue measures and, therefore, must originate in the House.

(iii) A clarification of Senate rules providing that the procedures set forth in section 153 apply to consideration of any conference report or veto message relating to resolutions disapproving Presidential waivers; and that the procedures set forth in section 152 apply to consideration of any conference report or veto message relating to resolutions disapproving Presidential compliance reports. Normal House rules will continue to apply to consideration of conference reports and veto messages in the House.

Finally, the conferees agreed to a temporary "transition rule" for consideration in 1990 of resolutions disapproving extension of the Jackson-Vanik waiver authority through July 3, 1991. Under this amendment, the fast-track procedures of section 153 apply for a 60-calendar-day period beginning on the date of enactment of this Act with respect to such resolutions of disapproval introduced on or after the date of enactment of this Act.

Competitiveness Policy Council (section 4006 of Senate amendment; section 133 of conference agreement)

Present Law

The Competitiveness Policy Council was established by the Omnibus Trade and Competitiveness Act of 1988 as a high-level advisory committee to the President and the Congress on issues of competitiveness policy. It was authorized for FY 1989 and FY 1990. Members of the Council are to be paid for their service.

House Bill

No provision.

Senate Amendment

Section 4006 reauthorizes the Council for FY 1991 and FY 1992. It also eliminates the compensation provision for members and makes certain other technical changes to the law.

Conference Agreement

The House recedes, with an amendment to change the deadline for appointment of ini-

tial members from no later than June 1, 1990, to 30 days after the date of enactment of the Act. The conferees agreed to extend the authorization for the Competitiveness Policy Council because, to date, the President has not appointed the members of the Council.

Technical amendments relating to the United States-Canada Free-Trade Agreement (section 4007(c) of Senate amendment; section 134 of conference agreement)

Present Law

The U.S.-Canada Free Trade Agreement (FTA) Implementation Act makes necessary changes to U.S. law to implement the U.S.-Canada FTA. Included in that Act are amendments to section 313 of the Tariff Act of 1930 (relating to drawback) and to the antidumping (AD) and countervailing duty (CVD) laws. The purpose of the amendments relating to drawback is to implement the FTA's provision eliminating drawback on most articles between the United States and Canada. The amendments relating to the antidumping and countervailing duty laws implement the provisions of Chapter 19 of the FTA which provide for review of antidumping and countervailing duty determinations by binational panels.

(i) Section 204(c)(3)

Section 204(c)(3) added subsection (n) to section 313 of the Tariff Act of 1930 to provide that on or after January 1, 1994, an article made from or substituted for a drawback-eligible good that is sent to Canada will not be considered to have been exported, the exact opposite of the intent of Article 404 of the FTA.

The Act does not contain a provision to implement Article 404(1) on the treatment of goods that are imported free of duty under bond for processing.

(ii) Sections 401 (a) and (c)

Section 516A(a)(5)(A) of the Tariff Act of 1930 presently provides that an interested party that was a party to an AD or CVD administrative proceeding may request binational panel review of a final AD or CVD determination in an investigation within 30 days after an AD duty order or a CVD order is issued.

Under section 516A of the Tariff Act, an interested party may state its intention to seek judicial review of a final AD or CVD determination made by International Trade Commission (ITC) within 20 days after a final determination or order. However, if another interested party or the Government of Canada makes a request for binational panel review within 30 days after the final determination or order, review would be conducted by a binational panel established under chapter 19 of the FTA. Present law does not address the situation of a flawed panel review request that deprives the panel of jurisdiction.

(iii) Section 403(c)

Section 777(d)(1)(A) of the Tariff Act of 1930 does not expressly authorize the release under protective order of privileged documents in an administrative record.

Under the present definition of "authorized persons," the only representatives of interested persons who may have access to business proprietary information under administrative protective order are counsel and their employees.

Section 777(d)(1)(B) provides for the release, under an administrative protective order, of business proprietary information contained in an administrative record to designated officers or employees of the U.S. Government for purposes of carrying out the FTA with respect to the panel proceeding.

Paragraphs (3) and (4) of section 777(d) of the Tariff Act of 1930 concern actions that are subject to sanction by the administering authority or ITC in the event of a violation of a protective order. These actions include a violation of a protective order (committed by a person to whom information has been released under the terms of a protective order) and an "inducement of a violation" (committed by a person who is not personally subject to the terms of a protective order).

(iv) Section 406(b)

The law is silent with regard to the directive in Annex 1901.2 of the Agreement that the United States and Canadian sections of the binational Secretariat established under chapter 19 of the Agreement would share the costs of convening binational panels.

(v) Section 408(c)

Section 408(c) provides that, when panel review of a final AD or CVD determination made by a Canadian administrative agency is commenced by the filing of a request with the U.S. section of the binational Secretariat, the U.S. Secretary serves the request on persons that would be entitled to participate in the panel review. To describe such persons, the statute draws an analogy to those who would have standing to appear in a judicial review of an equivalent determination made in the United States.

House Bill

No provision.

Senate Amendment

(i) Amendments to Section 204

The amendment correcting section 204(c)(3) provides that shipment to Canada of an article on or after January 1, 1994, except an article made from or substituted for a drawback-eligible good, does not constitute an exportation. The amendment adds an effective date of on or after January 1, 1994, to section 313(o) of the Tariff Act.

The amendment also adds a provision to Article 204 on the treatment of goods imported duty-free under bond for processing.

(ii) Amendment to Sections 401 (a) and (c)

The amendment alters the deadline for requesting binational panel review to within 30 days after issuance of the final determination.

The amendment permits an interested party to have its complaint heard by a domestic court in the event that a binational panel had dismissed the action for lack of jurisdiction. To take advantage of this provision, the interested party must file its intent to seek judicial review within 20 days after the final determination and must follow normal procedures for filing a summons and complaint within 30 days after the panel review is dismissed.

(iii) Amendment to Section 403(c)

The amendment deletes a provision that might be interpreted as prohibiting release of privileged documents under protective order and adds a provision expressly permitting the administering authority and the Commission to limit disclosure of such documents to persons under an extraordinary type of protective order.

The amendment extends the definition of "authorized persons" to include independent consultants and their employees who are retained by counsel to assist in representing interested persons during binational panel review, and to cover Canadian officials who have an equivalent need for access to such information. It also clarifies the purpose for which certain officers or employees of the United States Government would have access to business proprietary information.

The amendment adds to the sanctionable activities by the administering authority or ITC for breach of a protective order the receipt of business proprietary information when the recipient has reason to know that such information was disclosed in violation of an administrative protective order, (also committed by a person who is not personally subject to the terms of a protective order).

(iv) Amendment to Section 406(b)

The amendment provides the U.S. section of the binational Secretariat with an exception to the Miscellaneous Receipts Act for the limited purpose of using funds remitted by the Canadian section of the Secretariat to defray the expenses of binational panels under chapter 19 of the Agreement.

(v) Amendment to Section 408(c)

The amendment clarifies that the persons whom the U.S. Secretary would be required to serve are those who would be entitled to receive service under the binational panel rules of procedure relating to review of final AD or CVD determinations in Canada.

Conference Agreement

The House recedes with a technical amendment.

Treatment of certain information under administrative protective orders (section 4007 (a) and (b) of Senate amendment; section 135 of conference agreement)

a. Amendment to section 333 of the Tariff Act of 1930

Present Law

Section 337 of the Tariff Act of 1930 provides for relief against unfair methods of competition and unfair acts in the importation of articles into the United States or in their sale. The Omnibus Trade and Competitiveness Act of 1988 made various amendments to section 337.

House Bill

No provision.

Senate Amendment

Section 4007(a) makes the following changes relating to the administration of the 1988 Trade Act's amendments to section 337: (1) provides that any forfeited bond, posted by complainants as a prerequisite to temporary relief, shall go to the general fund of the Treasury Department; (2) provides that the ITC may delay issuing an exclusion or a cease or desist order until the end of an investigation; (3) provides that the ITC may issue default orders when the respondent fails to participate substantially in the investigation; and (4) authorizes the ITC to withhold from inquiries under the Freedom of Information Act files of investigations of violations of administrative protective orders.

Conference Agreement

The Senate recedes on (1) through (3). The House recedes on (4) with an amendment to amend section 333, rather than section 337, of the Tariff Act of 1930.

b. Amendments to antidumping and countervailing duty laws

Present Law

Section 777 of the Tariff Act of 1930 sets forth procedures for interested parties to obtain access to business proprietary information in investigations involving antidumping or countervailing duties. The Omnibus Trade and Competitiveness Act of 1988 amended section 777 to require, for the first time, that the ITC make such information available to interested parties under administrative protective order (APO), subject to certain exceptions.

House Bill

No provision.

Senate Amendment

Section 4007(b) makes the following changes relating to the administration of the 1988 Trade Act's amendments to section 777: (1) authorizes the administering authority (Department of Commerce) and the ITC to withhold customer names from release under APO; and (2) authorizes the administering authority and the ITC to withhold from inquiries under the Freedom of Information Act (FOIA) files of investigations of violations of APOs

Conference Agreement

The House recedes, with an amendment to authorize limited disclosure of customer names under administrative protective order (APO) and to apply the provision explicitly to investigations involving products of Canada.

The conference agreement includes the Senate provision on FOIA disclosure, and a modified version of the Senate provision on disclosure of customer names under APO. Specifically, the conference agreement prohibits disclosure by the administering authority (Department of Commerce), under APO, of customer names until either an order is published, or the investigation is suspended or terminated. The ITC may delay disclosure under protective order of customer names until a reasonable time prior to any hearing in the final injury phase of the investigation. The provisions only apply, with respect to both the administering authority and the ITC, in investigations which require an injury determination by the ITC.

The conferees are disturbed to learn, from ITC staff, about the suspected practice of some legal counsel who approach customers (other than their own clients' customers) and provide unsolicited advice or coaching on the so-called "appropriate" written or oral responses to provide to the ITC. Such coaching practices present serious questions relating to the integrity of the information received by the ITC. In title VII investigations, customers provide critical information on a variety of issues, such as purchase quantities, prices, like product definitions, and cumulation determinations. It is imperative that the responses to ITC inquiries be as candid, complete, and objective as possible.

It is the view of the conferees that the use by any party of customer names obtained under an APO issued by either the Department of Commerce or the ITC, to approach customers and attempt to influence the customers' responses (either written or oral) to the ITC is an inappropriate use of information obtained under a protective order.

The conference agreement provision is intended to minimize the opportunities for such abusive practices to occur, while at the same time providing interested parties a reasonable period of time during which access to customer names would be allowed, for legitimate purposes of analyzing and presenting arguments to the Commission relating to lost sales and conditions of competition.

In order to ensure the effectiveness of this rule as it applies to the ITC, the Commerce Department is prevented from disclosing customer names until the investigation is concluded, either by publication of an order, or suspension or termination of the investigation. The intent of the provision is to prevent any disclosure until the appropriate point in time during final injury stage of the investigation.

It is the view of the conferees, after consulting with ITC investigative staff and representatives of the private trade bar, that release of customer names at the same time as the release of the prehearing staff report under APO would serve the balance of interests to be protected.

This amendment prohibiting early disclosure of customer names is not meant to preclude or prohibit disclosure of customer names under protective order by the Department of Commerce during investigations that do not require an injury determination, or in proceedings subsequent to the original investigation, such as administrative reviews. The conferees also do not intend to preclude or prohibit disclosure of customer names under judicial protective order or during U.S.-Canada binational panel review under section 516A. In compliance with section 404 of the United States-Canada Free-Trade Agreement Implementation Act of 1988, the provision expressly states that these amendments shall apply to investigations involving products of Canada.

It is also the view of the conferees that the Commission should publish in the Federal Register, as soon as practicable, a summary of the actions taken by the Commission in response to APO violations. Thereafter, the Commission should either publish a notice each time an action is taken, or periodically (at least annually) publish a summary of actions taken.

Extension of time for preparation of report on supplemental wage allowance demonstration projects under the Worker Adjustment Assistance Program (section 126 of House bill; section 136 of conference agreement)

Present Law

Section 246 of the Trade Act of 1974, as added by section 1423(d) of the Omnibus Trade and Competitiveness Act of 1988, requires the Secretary of Labor to establish and carry out demonstration projects during fiscal years 1989 and 1990 on a supplementalwage allowance as an option for facilitating worker adjustment under the Trade Adjustment Assistance (TAA) program.

Section 246(d) requires the Secretary to transmit a report to the Congress no later than 3 years after the date of enactment of the 1988 Act (i.e., by August 23, 1991) that includes an evaluation of the demonstration projects and a recommendation as to whether the supplemental wage allowance should be available on a permanent basis as an option for some or all workers eligible for TAA.

House Bill

Section 126 amends section 246(d) of the Trade Act of 1974 to require that the report by the Secretary of Labor on the supplemental wage demonstration projects be transmitted to the Congress no later than 6 years, rather than 3 years, after date of enactment of the 1988 Act (i.e., by August 23, 1994).

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with an amendment to eliminate the requirement that the projects be carried out in FY 1989 and FY 1990.

Under present law, the supplemental wage demonstration projects are to be established and carried out during FY 1989 and 1990, with the report to the Congress evaluating the results due by August 23, 1991. The Department of Labor has interpreted the term "carry out" to mean that all demonstration activity must be completed within the two-year period. This includes identifying an adequate number of workers eligible for trade readjustment allowances and allowing sufficient time to elapse for them to find a job, qualify for wage supplements, and collect up to 52 weeks of supplements as authorized by the statute.

The Department has advised that it will not be possible to fully carry out the projects by the end of FY 1990. The Department also advised that the number of workers would be inadequate to make the demonstration worthwhile unless the authority to pay wage supplements were extended beyond September 30, 1990.

The amendment will have the effect of authorizing the participating States to continue and complete after FY 1990 the demonstration activities for projects established before the end of FY 1990. The amendment enables the States to continue to pay wage supplements to a sufficient number of eligible workers to ensure that an adequate sample of participants is obtained to conduct a valid and worthwhile demonstration and evaluation. The amendment does not authorize establishment of any new projects after FY 1990, nor does it entitle workers to any additional weeks of payments than authorized under present law. The evaluation report will be submitted to the Congress by August 23, 1994.

Drug paraphernalia (section 4003 of Senate amendment; section 137 of conference agreement)

Present Law

U.S. International Trade Commission (ITC) Report Number 332-277, submitted to the Senate Committee on Finance in September 1989, provided certain recommendations of the ITC on the enforcement efforts being made against imports of drug paraphernalia.

House Bill

No provision.

Senate Amendment

Section 4003 directs the Secretary of the Treasury, the Secretary of Commerce, and the ITC to take actions to implement the recommendations of the ITC regarding additional statistical annotations that were made in the report. The provision also requires customs to submit—within one year of enactment—a report on the operational response of Customs to the ITC report. The Customs report is to address the effectiveness of Customs in monitoring and seizing drug paraphernalia, including crack bags, vials, and pipes.

Conference Agreement

The House recedes.

Economic sanctions against products of Burma (section 4004 of Senate amendment; section 138 of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Section 4004 prohibits imports of any article that is the growth, product, or manufacture of Burma. Any importer of an article imported from Burma, or from any country whose nationals are allowed to acquire articles from Burma by virtue of a treaty or agreement between Burma and that country and/or such nationals, must certify the country of origin of the article.

The import embargo shall not apply if the President certifies to Congress that the provision violates U.S. obligations under the GATT.

Conference Agreement

The House recedes, with an amendment providing that the President shall impose such economic sanctions on Burma as he determines appropriate, giving primary consideration to sanctions on major U.S. imports from Burma, including tropical timber, fish and aquatic animals, unless the President determines that sanctions against such products would have a significant adverse effect on the economic interests of the United States. The amendment also provides that the President should confer with other industrialized democracies to reach agreements on sanctions against Burma. These provisions apply unless the President certifies to Congress before October 1, 1990 that all of the following conditions have been met: (1) Burma has satisfied the certification requirements of the Narcotics Control Trade Act; (2) national governmental legal authority in Burma has been transferred to a civilian government; (3) martial law has been lifted; and (4) political prisioners have been released. It is the intention of the conferees that those prisoners to be released include Aung San Suu Kyi and Tin Oo.

If the President has not certified that Burma has met the conditions described above and the President does not impose sanctions, he must report to Congress the reasons for his decision and outline the actions he plans to take to achieve the above conditions. Such a report shall be submitted to Congress every six months for a two-year period following the enactment of this Act, or until the President imposes sanctions or makes the above-mentioned certification during that two-year period.

Miscellaneous technical and clerical amendments (section 139 of conference agreement)

The conference agreement makes strictly technical corrections in the Tariff Act of 1930 and the Consolidated Omnibus Budget Reconciliation Act of 1985 to change references to expired provisions in the Tariff Schedules of the United States to the current provisions of the Harmonized Tariff Schedule, and corrects clerical errors in paragraph and subparagraph cross-references in section 1102 of the Omnibus Trade and Competitiveness Act of 1988.

Increase in expenditures to provide assistance for United States citizens returning from foreign countries (section 140 of conference agreement)

Section 113 of the Social Security Act permits the Secretary of Health and Human Services to offer temporary assistance to American citizens who are repatriated for emergency reasons to the United States from a foreign country. Such aid may be provided because of illness, destitution, or because of external factors such as war or threat of war. The conference agreement increases the limit on expenditures under this repatriation program from $300,000 to $1 million annually.

Administrative provision (section 141 of conference agreement)

The conference agreement includes a provision stating that services performed after April 20, 1990, by temporary employees of the Bureau of the Census for purposes relating to the 1990 decennial census constitute "Federal service" under the unemployment compensation program. As a result, wages earned by these temporary census workers will be credited to them in determining their eligibility for unemployment compensation. This provision reverses a provision enacted into law by the Dire Emergency Supplemental Appropriations Act of 1990.

Nondiscriminatory treatment for the products of East Germany (section 142 of conference agreement)

The conference agreement includes a provision authorizing the President to proclaim lower rates of duty applicable under the Harmonized Tariff Schedule on products of East Germany at any time after September 30, 1990, and until the date on which a unified Germany is eligible for MFN column 1 rates of duty under the Harmonized Tariff Schedule of the United States. The proclaimed rate of duty for East German products may not be less than the column 1 rate of duty applicable on the date that such products are entered into the United States for customs purposes. The authority only applies to the general rates of duty under the Harmonized Tariff Schedule, and does not include antidumping or countervailing duties under the Tariff Act of 1930. Because East and West Germany achieved economic and monetary union on July 1, 1990, the conferees believe it is appropriate for the President to be authorized to provide tariff treatment for East German products comparable to that of West German products, pending complete political unification. At such time as East Germany and West Germany are unified, the products of such a unified Germany will be eligible for column 1 rates of duty.

However, the conferees expressed the view that the President should not proclaim lower rates of duty for East Germany until such time as Czechoslovakia receives the benefits of MFN column 1 rates of duty. A bilateral commercial agreement between the United States and Czechoslovakia has been signed. However, the agreement still must be approved by Congress, and the President must issue a proclamation providing for MFN treatment before the products of Czechoslovakia will be eligible for such treatment. It is the strong view of the conferees that a country such as Czechoslovakia, which has been following the Title IV procedures for MFN tariff treatment, should not be disadvantaged by this provision.

GSP for countries supporting international terrorism (section 4005 of Senate amendment)

Present Law

Under Title V of the Trade Act of 1974, the President is prohibited from designating as eligible for GSP treatment any country that aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The President may waive the prohibition if he determines designation is in the U.S. national economic interest and so reports to the Congress.

House Bill

No provision.

Senate Amendment

Section 4005 provides that any country which has been designated under the Export Administration Act of 1979 as a country supporting international terrorism shall no longer be eligible for GSP benefits.

Conference Agreement

The Senate recedes.

Administrative procedure for noncontroversial tariff suspensions (Title V of Senate amendment)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Title V provides administrative procedures for the temporary suspension of import duties, complementary to the current legislative procedure. Based on private petitions requesting a duty suspension or duty reinstatement on a product, and only after a bill to effect such a change has been pending in Congress for at least one year, the ITC shall investigate the suspension or reinstatement, providing an opportunity for public comment. The ITC shall publish a preliminary report for comment within 75 days, and submit a final report to the President 30 days thereafter. The report shall include the ITC's determinations regarding various statutory criteria, such as whether the same product, or a competing product, is made in the United States, whether there are any objections to the change, and the revenue implications of the change.

Within 30 days of receiving an ITC report on a proposed duty suspension, the President may proclaim the suspension for up to 3 years if the President determines that no person has a valid objection to the suspension and that the sum of revenues lost by the duty suspension and other duty suspensions proclaimed does not exceed $100 million. Within 30 days of receiving an ITC report on a proposed duty reinstatement, the President may proclaim the reinstatement if he determines that there is a valid objection to the suspension.

Title V provides that the President may establish an annual deadline for the filing of petitions under this provision. The provision would be effective October 1, 1991.

Conference Agreement

The Senate recedes.

TITLE II—CARIBBEAN BASIN ECONOMIC RECOVERY

SUBTITLE A—SHORT TITLE AND FINDINGS

Short title (section 201 of House bill; section 2001 of Senate amendment; section 201 of conference agreement)

Present Law

No provision.

House Bill

Section 201 provides that the subtitle may be cited as the "Caribbean Basin Economic Recovery Expansion Act of 1989".

Senate Amendment

Section 2001 is identical, except the date of the Act is 1990.

Conference Agreement

The House recedes.

Congressional findings (section 202 of House bill; section 2002 of Senate amendment; section 202 of conference agreement)

Present Law

No provision.

House Bill

Section 202 makes Congressional findings that (1) a stable political and economic climate in the Caribbean region is necessary for development of the countries in that region and for U.S. security and economic interests; (2) the Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 to assist in the achievement of such a climate by stimulating the development of the export potential of the region; and (3) the U.S. commitment to the successful development of the region, as evidenced by the enactment of the CBERA, should be reaffirmed and further strengthened by amending that Act to improve its operation.

Senate Amendment

Section 2002 is identical.

Conference Agreement

The conferees agree to both the House and Senate provisions.

SUBTITLE B—AMENDMENTS TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT AND RELATED PROVISIONS

PART 1—AMENDMENTS TO CARIBBEAN BASIN ECONOMIC RECOVERY ACT

Repeal of termination date on duty-free treatment under the Act (section 211 of House bill; section 2003 of Senate amendment; section 211 of conference agreement)

Present Law

Section 218(b) of the CBERA contains a September 30, 1995 termination date for duty-free treatment of eligible imports from CBI beneficiary countries. There is no statutory termination date on the tax provisions of the CBI program.

House Bill

Section 211 repeals the statutory termination date on duty-free treatment under the CBERA.

Senate Amendment

Section 2003 is identical in substance.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Duty reduction for certain leather-related products (section 212 of House bill; section 212 of conference agreement)

Present Law

Under section 213(b) of the CBERA, imports from CBI beneficiary countries of footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not eligible for duty-free treatment under the Generalized System of Preferences (GSP) as of August 5, 1983; textile and apparel articles subject to textile agreements; canned tuna; petroleum and petroleum products; and watches and watch parts containing any materials from non-MFN country sources are exempt from duty-free treatment under the CBI.

House Bill

Section 212 amends section 213 of the CBERA to provide by Presidential proclamation for a 50 percent reduction in the rates of duty applicable to handbags, luggage, flat goods, work gloves, and leather wearing apparel that are products of CBI beneficiary countries and currently excluded from duty-free treatment.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with an amendment to authorize the President to proclaim in the tariff rates applicable to leather products from CBI beneficiary countries reductions of 20 percent, but not more than 2.5 percent ad valorem for any item, to be phased in in five equal annual stages beginning on January 1, 1992. The duty reductions apply to all handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated on January 3, 1975 (the effective date of the Trade Act of 1974) as eligible articles under the Generalized System of Preferences, except that any such articles that are also textile or apparel articles which are subject to textile agreements will continue to be exempt from the CBI program and subject to present rates of duty.

The reductions made under this provision would be in addition to any tariff reductions on such products resulting from the Uruguay Round. However, the additional cuts mandated by this provision in conjunction with Uruguay Round cuts may not result in a differential between the rate applicable to CBI beneficiary countries and the MFN rate applicable to all other countries of greater than 1 percent ad valorem.

Worker rights (section 213 of House bill; section 2004 of Senate amendment; section 213 of conference agreement)

Present Law

Section 212(b) of the CBERA prohibits the President from designating any country as a CBI beneficiary if such country does not meet specified statutory criteria, some of which may be waived if the President determines that designation will be in the national economic or security interest of the United States. Worker rights are not included in these mandatory designation criteria. Section 212(c) of the CBERA requires the President to take into account in determining whether to designate any country as a CBI beneficiary the degree to which workers in such country are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively.

Section 212(e) of the CBERA authorizes the President to withdraw or suspend designation of a country as a CBI beneficiary or to withdraw, suspend, or limit the application of duty-free treatment to any article of a beneficiary country if the President determines that as a result of changed circumstances the country would be barred from designation as a beneficiary because it does not meet one or more conditions under section 212(b).

House Bill

Section 213 adds a new criteria to section 212(b) of the CBERA that prohibits the President from designating any country as a CBI beneficiary if such country has not or is not taking steps to afford internationally-recognized worker rights to workers in the country (including any designated zone in that country), as those rights are defined under the GSP statute. The Presidential waiver for economic or national security reasons would apply. The existing criteria under section 212(c) of the CBERA for taking into account worker conditions in the country is also amended to be consistent with the new standard under section 212(b).

Section 213 also adds a new requirement to section 212(e) of the CBERA that the President conduct a general review of beneficiary countries not later than January 4, 1991 and biennially thereafter, based on all of the considerations in section 212(b) and (c).

Senate Amendment

Section 2004 contains an identical provision on worker rights criteria, but no provision requiring general reviews of beneficiary countries.

Conference Agreement

The conferees agree to both the House and Senate provisions on worker rights criteria. The House recedes on the general review provision, with an amendment to require the President to include the results of a general review of CBI beneficiary countries based on all section 212(b) and (c) criteria in the report to the Congress every 3 years (section 214 below).

The complete reports of the CBI program are to include general reviews of CBI beneficiary countries based upon all of the designation criteria in section 212(b) and (c). The conferees expect the USTR to hold a public hearing prior to the preparation of the report to the Congress every 3 years. The basic purpose of the hearing is to provide an opportunity for the interested private sector to express views and give informational input to the Administration on the operation of the CBI program and on individual beneficiary countries based on the statutory criteria. This input should be reflected in the reports, as well as information obtained from other sources.

Reports (section 214 of House bill; section 2005 of Senate amendment; section 214 of conference agreement)

Present Law

No provision.

House Bill

Section 214 amends section 212 of the CBERA to require the President to submit a complete report to the Congress by October 1, 1992, and every 3 years thereafter regarding the operation of the CBI.

Senate Amendment

Section 2005 is identical, except the deadline for the initial report is October 1, 1993.

Conference Agreement

The House recedes.

Treatment of articles grown, produced, or manufactured in Puerto Rico (section 2014 of Senate amendment; section 215 of conference agreement)

Present Law

In determining whether imports from CBI beneficiary countries meet the 35 percent value added test under the rule-of-origin requirements set forth under section 213 of the CBERA, the value of any Puerto Rican content qualifies as CBI beneficiary country content. However, the Customs Service has ruled that, in the case of a product that is made in Puerto Rico, then sent to a CBI beneficiary country for a minimal amount of processing, the final product is fully dutiable when imported into the United States. Such a product is not eligible for duty-free treatment under the CBI because it has not been substantially transformed in the CBI beneficiary country.

House Bill

No provision.

Senate Amendment

Section 2014 amends section 213 of the CBERA to provide that any article which is the growth, product, or manufacture of Puerto Rico qualifies for duty-free treatment under the CBI if (1) the article is imported directly from a CBI beneficiary country into the United States; (2) the article was advanced in value in a CBI beneficiary country; and (3) if any materials are added to the article in a CBI beneficiary country, such materials are a product of a beneficiary country or the United States.

The provision does not apply with respect to goods otherwise ineligible for duty-free treatment under the CBI.

The provision would become effective with respect to goods imported on or after October 1, 1990, with retroactive duty-free treatment granted upon request for unliquidated imports entered between August 5, 1983 (the effective date of the CBERA) and October 1, 1990.

Conference Agreement

The House recedes.

Application of Act in eastern Caribbean area (section 215 of House bill; section 2010 of Senate amendment; section 216 of conference agreement)

Present Law

No provision.

House Bill

Section 215 expresses the sense of the Congress that special efforts should be undertaken to improve the ability of the Organization of Eastern Caribbean States countries and Belize to benefit from the CBERA.

Senate Amendment

Section 2010 is identical.

Conference Agreement

The conferees agree to both the House and Senate provisions.

PART 2—Amendments to the Harmonized Tariff Schedule and Other Provisions Affecting CBI Beneficiary Countries

Increase in duty-free tourist allowances (section 222 of House bill; section 2006 of Senate amendment; section 221 of conference agreement)

Present Law

Notes and tariff items under subchapter IV of chapter 98 of the Harmonized Tariff Schedule provide a duty-free tourist allowance to returning U.S. residents arriving directly or indirectly from foreign countries (including CBI beneficiary countries) of $400, and an allowance to U.S. residents returning from U.S. insular possessions of $800. In addition, U.S. residents returning from foreign countries may bring in not more than 1 liter of alcoholic beverages duty-free and excise-tax free.

House Bill

Section 222 amends the HTS (1) to increase the duty-free allowance for U.S. residents returning directly or indirectly from a CBI beneficiary country from $400 to $600 and to allow such tourists to enter 1 additional liter of alcoholic beverages duty- and excise-tax free if produced in a CBI beneficiary country; and (2) to increase the duty-free allowance for U.S. residents returning from U.S. insular possessions from $800 to $1,200.

The amendment becomes effective with respect to residents who depart from the United States on or after 15 days after date of enactment.

Senate Amendment

Section 2006 is identical.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Duty-free treatment for articles assembled in beneficiary countries from components produced in the United States (section 223 of House bill; section 2007 of Senate amendment; section 222 of conference agreement)

Present Law

U.S. Note 2 of subchapter II of chapter 98 of the Harmonized Tariff Schedule treats an article returning to the United States after being advanced in value or improved in condition abroad as a "foreign article", and thereby subject to U.S. duties and quotas upon reentry.

House Bill

Section 223 amends U.S. Note 2 to create an exception to the normal rule that articles returning to the United States after being advanced in value or improved in condition abroad are treated as foreign articles. The exception grants duty-free and quota-free treatment for articles (other than textiles and apparel) that are assembled wholly from U.S. fabricated components or processed wholly from U.S. ingredients (except water) in a CBI beneficiary country and neither the components and ingredients after export from the United States nor the article itself before importation into the United States enters the commerce of any other country.

The amendment becomes effective with respect to goods assembled or processed abroad entered on or after 15 days after date of enactment.

Senate Amendment

Section 2007 is a similar provision, except:

1. Articles processed wholly from U.S. components or materials, in addition to articles assembled wholly from U.S. components, shall receive duty-free treatment.

2. The provision does not apply to any article currently exempt from CBI duty-free treatment (i.e., footwear, leather products, canned tuna, petroleum and petroleum products, certain watches and watch parts, as well as textiles and apparel).

The amendment becomes effective with respect to goods assembled or processed abroad entered on or after October 1, 1990.

Conference Agreement

The House recedes, with an amendment to apply the provision to all articles except textiles and apparel and petroleum and petroleum products.

Rules of origin for beneficiary country products (section 224 of House bill; section 223 of conference agreement)

Present Law

Section 213 of the CBERA sets forth rule-of-origin requirements that must be met for an article to be eligible for duty-free treatment under the CBI. These rules provide that an article is eligible for such treatment if it meets three basic tests: (1) the article is imported directly from a CBI beneficiary country into the customs territory of the United States; (2) a minimum of 35 percent of the appraised value of the article consists of the cost or value of materials produced in one or more beneficiary countries plus the direct costs of processing operations performed in one or more beneficiary countries, of which up to 15 percent may consist of materials or components produced in the United States; and (3) the article is wholly the growth, product, or manufacture of a beneficiary country, or is a new or different article of commerce which has been grown, produced, or manufactured (i.e., "substantially transformed") in the beneficiary country. The statute also requires that regulations prohibit eligibility for duty-free treatment if the article merely undergoes certain minor operations.

House Bill

Section 224 authorizes the President to proclaim, effective on January 1, 1991, new rules for determining whether articles originate in CBI beneficiary countries for purposes of granting duty-free treatment. The new rules may not be proclaimed unless the President has complied with the requirements of a consultation and layover procedure: (1) obtained advice regarding the proposed rules through consultations with appropriate private sector advisory committees established under section 135 of the Trade Act of 1974, the governments of CBI beneficiary countries, the House Ways and Means and Senate Finance Committees, and other interested parties; (2) submitted a report to the House Ways and Means and Senate Finance Committees setting forth the proposed rules and the reasons therefor; (3) at least 90 calendar days expire after the consulting and reporting requirements are met before the new rules are proclaimed; and (4) the two Committees are further consulted during that layover period.

Senate Amendment

No provision.

Conference Agreement

Senate recedes, with an amendment to require the President to submit recommendations to Congress regarding new rules of origin for CBI beneficiary countries, to be followed by any appropriate Congressional action. The conferees further agreed to direct immediate initiation of an ITC investigation to form the basis for the Administration's recommendations.

Cumulation involving beneficiary country products under the countervailing duty and antidumping duty laws (section 225 of House bill; section 224 of conference agreement)

Present Law

Under section 771(7) of the Tariff Act of 1930, imports from two or more countries subject to an antidumping or countervailing duty investigation must be aggregated for the purpose of determining whether the unfair trade practice causes material injury to a U.S. industry. They may be aggregated for the purpose of determining whether the U.S. industry is threatened with material injury. The ITC is not required to aggregate the imports of an individual country with those of other countries under investigation if it determines that the volume of imports from such country is negligible and has no discernible impact on the U.S. industry.

House Bill

Section 225 amends section 771(7) to create an exception to the general cumulation rule for imports from CBI beneficiary countries. If imports from a CBI country are under investigation in an antidumping or countervailing duty case, imports from that country may not be aggregated with imports from non-CBI countries under investigation for purposes of determining whether the imports from the CBI country are causing, or threatening, material injury to a U.S. industry. They may be aggregated with imports from other CBI countries

under investigation. However, imports from CBI countries would continue to be aggregated with imports from non-CBI countries under investigation for purposes of determining whether imports from the non-CBI countries are causing injury.

The amendment would become effective with respect to investigations initiated on or after date of enactment.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with an amendment to clarify that imports from CBI beneficiary countries will continue to be cumulated, as under present law, with imports from non-CBI countries for the purposes of determining whether the imports from a non-CBI country are causing, or threatening to cause, material injury to a U.S. industry, in investigations of imports from a non-CBI country.

The conferees emphasize that this provision is intended to benefit CBI beneficiary countries, consistent with the specific objectives of the CBI program. This provision is not intended to set a precedent for the anti-dumping or countervailing duty negotiations under the Uruguay Round.

Ethyl alcohol (section 226 of House bill); (section 225 of conference agreement)

Present Law

Under the CBERA, articles are entitled to duty-free treatment if they are produced in the region and at least 35 percent of their value was added in the CBI countries. The Tax Reform Act of 1986 amended the CBERA to require increasing amounts of CBI feedstock in order for ethanol to qualify for duty-free treatment.

As amended by the Steel Trade Liberalization Program Implementation Act of 1989 (the so-called CBI ethanol compromise), ethanol (and any mixture thereof) that is only dehydrated within a CBI beneficiary country or an insular possession receives duty-free treatment only if it meets the applicable local feedstock requirement: (1) no feedstock requirement is imposed on imports up to a level of 60 million gallons or 7 percent of the domestic ethanol market (as determined by the ITC, based on the 12-month period ending on the preceding September 30), whichever is greater; (2) a local feedstock requirement of 30 percent by volume applies to the next 35 million gallons of imports above the 60 million gallon or 7 percent level described above; and (3) a local feedstock requirement of 50 percent by volume applies to any additional imports.

Ethyl alcohol (or a mixture thereof) that is produced by a process of full fermentation in an insular possession or beneficiary country continues to be eligible for duty-free treatment in unlimited quantities without regard to feedstock requirements.

These provisions are effective for calendar years 1990 and 1991.

House Bill

Section 226 is the same as present law, but is effective for all calendar years after 1989. Although this appears to be a permanent provision on its face, its practical effect is to create a one-year extension of the existing provision. The so-called ethanol compromise provision enacted as part of the Steel Trade Liberalization Program Implementation Act of 1989 (which would be extended by the House provision) is an amendment to the original ethanol provision contained in the 1986 tax bill. Since the duration of that provision is linked to the effective date of the existing additional tariff applicable to imported ethanol (which is scheduled to expire on December 31, 1992), the House provision would expire on December 31, 1992 unless the tariff provision were extended beyond that date.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes. The conferees agree to accept the House provision relating to ethanol imports from the Caribbean Basin and the Senate provision providing an additional tariff on ethyl tertiary butyl ether (ETBE) (see section 484G, following). Additionally, the conferees intend to consider later this year the extension of all relevant ethanol provisions as part of tax-related legislation addressing the extension of expiring tax provisions generally. Specifically, the conferees intend to consider extension of the excise tax exemption for alcohol fuels, the blenders tax credit, and the additional tariff applicable to imported ethanol as well as the extension of the CBI-ethanol provision included in this conference report. Under this CBI provision as adopted by the conferees, the expiration date for this tariff relief provision is linked to the expiration of the additional tariff on imported ethanol. It is the conferees' intention that this provision would continue in effect in the future as long as this additional tariff or other similar restrictions apply to imports of ethanol.

The conferees further note that the pending expiration of the blenders tax credit may affect the ability of the domestic industry to obtain long-term financing. In light of this, the conferees intend to consider a long-term extension of these interrelated provisions prior to their 1992 expiration dates.

Conforming amendment (section 227 of House bill; section 2008 of Senate amendment; section 226 of conference agreement)

Present Law

The rules of origin set forth under section 213(a) of the CBERA include the specific requirement that duty-free treatment provided under the CBI applies to an article that is the growth, product, or manufacture of a beneficiary country. Regulations issued by the Secretary of the Treasury must provide that the article be wholly the growth, product, or manufacture of a beneficiary country or a new or different article of commerce grown, produced, or manufactured (i.e., substantially transformed) in a beneficiary country. The statutory rules of origin for the Generalized System of Preferences (GSP) program do not specifically include this requirement, but the legislative history of the CBI statute confirms the intent that the same standards apply to the GSP program.

House Bill

Section 227 amends section 503(b) of the Trade Act of 1974 to conform GSP to CBI rules of origin by inserting the requirement in the origin rules for determining duty-free treatment under GSP that an eligible article must be the growth, product, or manufacture of a beneficiary developing country. Regulations issued by the Secretary of the Treasury, after consultation with the USTR, must provide that, in order to be eligible for GSP duty-free treatment, an article must be wholly the growth, product, or manufacture of a beneficiary developing country, or must be a new or different article of commerce grown, produced, or manufactured (i.e., substantially transformed) in the beneficiary developing country. These regulations must also prohibit any article or material of a CBI beneficiary country from being eligible for duty-free treatment by having merely undergone simple combining or packaging operations or mere dilution that does not materially alter the characteristics of the article.

Senate Amendment

Section 2008 is identical.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Requirement for investment of 936 funds in Caribbean Basin countries (section 227 of conference agreement)

Present Law

Under section 936 of the Internal Revenue Code, qualified investment income earned in U.S. possessions is exempt from U.S. tax. Most of the tax benefits claimed under this provision are claimed by corporations in Puerto Rico. Prior to the Tax Reform Act of 1986 (1986 Act), this investment income, commonly referred to as "qualified possessions source investment income" or QPSII, had to be derived from sources inside Puerto Rico. Section 936(d)(4), added to the Code in the 1986 Act, amended the definition of QPSII to allow for investments outside of Puerto Rico. Under section 936(d)(4), interest income will qualify as QPSII if derived from loans by qualified financial institutions (including the Puerto Rican Government Development Bank) for the acquisition of active business assets and for the construction of development projects located in eligible Caribbean Basin countries. The purpose of this provision was to promote employment-producing investment in, and the transfer of, technology to eligible Caribbean Basin countries.

Conference Agreement

It is the conferees' intent that a minimum of $100,000,000 of new investments under section 936(d)(4) shall be made each year in eligible Caribbean Basin countries.

The conference agreement requires the Government of Puerto Rico to take such steps as may be necessary to ensure that at least $100,000,000 of new investments which qualify under section 936(d)(4) in eligible Caribbean Basin countries shall be made each calendar year. Refinancings of existing investments shall not constitute "new investments" for this purpose. It is expected that the U.S. Government would carry out in a reasonably expeditious manner its established procedures that bear on the Government of Puerto Rico's meeting its obligation. The provision does not provide for penalties or sanctions if $100,000,000 of new investments is not made.

SUBTITLE C—SCHOLARSHIP ASSISTANCE AND TOURISM PROMOTION

Cooperative public and private sector program for providing scholarships to students from the Caribbean and Central America (section 231 of House bill; section 231 of conference agreement)

Present Law

There are currently ten Federal programs that provide scholarship and training assistance to Caribbean Basin countries. The majority of U.S. scholarship programs are short-term, undergraduate or graduate level, and emphasize Central American countries. The Caribbean Scholars Program, which focused on the Caribbean countries

and was initiated with the CBI, has since been terminated.

House Bill

Section 231 requires the Administrator of the Agency for International Development (AID) to establish and administer a program of scholarship assistance, in cooperation with State governments, universities, community colleges, and businesses, to enable students from CBI beneficiary countries that also receive U.S. foreign assistance to study in the United States. The Administrator may make grants to States (including the District of Columbia, Puerto Rico, and U.S. possessions and territories) to provide scholarship assistance for undergraduate degree programs and for training programs of at least one year in study areas related to the critical development needs of the students' respective countries. The Administrator will also consult with theparticipating States on the educational opportunities available within each State and on the assignment of scholarship recipients.

With respect to program funding, the Federal share for each year for which a State receives payment will be not less than 50 percent. The Federal share will be funded from amounts otherwise made available for Latin American and Caribbean regional programs under the economic support fund of the Foreign Assistance Act of 1961; no separate funding is authorized for this purpose. The non-Federal share of payments may be in cash or in-kind. To the maximum extent practicable, each participating State shall enlist private sector assistance to meet the non-Federal share of payments. Wherever appropriate, each participating State will also encourage the private sector to offer internships or other opportunities to students receiving scholarships. The obligation of any recipient to reimburse any or all scholarship assistance shall be forgiven upon the student's prompt return to their home country for at least one year longer than the period spent studying in the United States with scholarship assistance.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with an amendment to (1) clarify the purposes and need for the program; (2) ensure that selection of students is targeted to the economically and socially disadvantaged; and (3) clarify State roles in the selection and placement of students.

Promotion of tourism (section 232 of House bill; section 2011 of Senate amendment; section 232 of conference agreement)

Present Law

No provision.

House Bill

Section 232(a) makes a Congressional finding that the tourism industry must be recognized as a central element in the economic development and political stability of the Caribbean Basin. Section 232(b) expresses the sense of the Congress that increased tourism should be developed in the region as a central part of the CBI program, and that a high priority should be assigned by U.S. Government agencies to projects that promote the tourism industry in the Caribbean.

Section 232(c) requires the Secretary of Commerce to complete a study begun in 1986 on tourism development strategies for the Caribbean region. The study shall include information on the mutual benefits to the U.S. and Caribbean economies as a result of tourism in the region and proposals for developing increased linkages between the tourism industry and local industries such as agrobusiness.

Senate Amendment

Section 2001 is identical.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Pilot preclearance program (section 233 of House bill; section 2009 of Senate amendment; section 233 of conference agreement)

Present Law

Customs preclearance operations currently exist only in Canada, Bermuda, and the Bahamas.

House Bill

Section 233 requires the Commissioner of Customs to carry out preclearance operations during fiscal years 1990 and 1991 at a U.S. Customs Service facility in a Caribbean Basin country which the Commissioner considers appropriate for testing the extent to which the availability of preclearance operations can assist in the development of tourism. The country selected cannot be a site of current preclearance operations and U.S. immigration preinspection operations must be currently carried out in that country.

Before preclearance operations may begin in the country selected for testing, the Commissioner of Customs and the Commissioner of Immigration and Naturalization must jointly certify that (1) a bilateral government agreement exists between the United States and the country which protects U.S. interests and affords diplomatic protection to U.S. employees working at the preclearance location; (2) the facilities at the preclearance location are suitable and conform to Federal Inspection Services standards; (3) there is adequate security for international arrivals; (4) the government of the country grants the U.S. Customs and Immigration and Naturalization Services appropriate search, seizure, and arrest authorities; and (5) U.S. employees and their families will not be subject to fear of reprisal, acts of terrorism, and threats of intimidation.

The Commissioner of Customs must submit a report to the Congress as soon as practicable after September 30, 1991, regarding the pilot preclearance program, including a summary of the operations, an evaluation of the extent preclearance contributed to stimulating tourism in the country and expedited customs processing at U.S. ports of entry, and the Commissioner's opinion regarding the efficacy of extending preclearance operations to other Caribbean countries and the identity of these countries.

Senate Amendment

Section 2009 of the Senate amendment also requires the Commissioner of Customs to carry out preclearance operations at a U.S. Customs Service facility in a Caribbean Basin country. However, the Senate provision provides that the operations must becarried out in fiscal years 1991 and 1992 and that Customs submit its report regarding the pilot preclearance program as soon as practicable after September 30, 1992.

In addition, the restrictions on country selection (not a site of current preclearance operations and U.S. immigration preinspection operations currently exist) are deleted. Finally, the requirement is added that the Commissioner of Customs and Commissioner of INS must first determine the viability of establishing such operations in Jamaica. If they determine, after full consultations with the Government of Jamaica, that establishment in Jamaica is not viable, they must so report to the Senate Finance and House Ways and Means Committees within 6 months after date of enactment. After the report is submitted, negotiations may be undertaken to establish operations in another country.

Conference Agreement

The conferees agree to merge the two provisions. Under the conference agreement, the pilot preclearance operations must be carried out in fiscal years 1991 and 1992; the pilot program is restricted to countries that do not currently have preclearance operations; and the requirement is added that the Commissioner of Customs and Commissioner of INS must first determine the viability of establishing such operations in either Aruba or Jamaica.

If they determine, after full consultations with both governments, that neither country is viable, they must so report to the Senate Committee on Finance and the House Committee on Ways and Means within 6 months after date of enactment. After suchreport is submitted, the Commissioners shall take all necessary steps consistent with the requirements of this provision to establish such operations in another country. The date for the report to Congress on the pilot preclearance operation is to becompleted as soon as practicable after September 30, 1992.

In determining where to establish the mandated Customs pilot preclearance operation, the Commissioner of Customs shall consult with the Secretaries of State and Commerce on the implications of this decision for U.S. anti-drug policy and programs, and for U.S. foreign policy interests, as well as the projected overall impact on tourism in each country. This consultation shall include input from the U.S. embassies in Jamaica and Aruba on any appropriate issues, including the expected economic impact. The Commissioner shall also consider the relative costs of establishing the program, as well as consider options for minimizing such costs, such as limiting the service areas covered by preclearance. Finally, the Commissioner periodically shall inform the Committees on Finance and Ways and Means about the status of such consultation and evaluation. The conferees intend that the Customs Service shall initiate the program within six months.

SUBTITLE D—MISCELLANEOUS PROVISIONS

Trade benefits for Nicaragua (section 2015 of the Senate amendment; section 241 of conference agreement)

Present Law

The President is authorized to designate beneficiary countries under the CBI and GSP programs if the statutory criteria for eligibility are met. Nicaragua is not currently designated as a CBI beneficiary country. In 1987, the President revoked Nicaragua's eligibility for GSP on the grounds that it did not meet the statute's requirements regarding worker rights.

House Bill

No provision.

Senate Amendment

Section 2015 authorizes the President to designate Nicaragua as a beneficiary country under the CBI and GSP programs, effective through 1990, notwithstanding any other provision of law.

Conference Agreement

The House recedes. It is the intention of the conferees that the authority to designate Nicaragua as a CBI beneficiary country in 1990 apply to the trade, not tax, benefits under the program.

Agricultural infrastructure support (section 2012 of Senate amendment; section 242 of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Section 2012 expresses the sense of the Congress that, to facilitate trade and the development of CBI countries, the Secretary of Agriculture should coordinate with the Agency for International Development the development of programs to encourage improvements in the transportation and cargo handling infrastructure in CBI countries to improve agricultural trade.

Conference Agreement

The House recedes.

Extension of trade benefits to the Andean region (section 2013 of Senate amendment; section 243 of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Section 2013 expresses the sense of Congress urging the President to consider the merits of extending the benefits of the CBERA to the Andean region and to explore additional mechanisms to expand trade opportunities for the Andean region, and report to the Congress on the results of this review.

Conference Agreement

The House recedes.

Sugar imports from beneficiary countries (section 221 of House bill)

Present Law

Additional U.S. notes under Chapter 17 of the Harmonized Tariff Schedule (HTS) provide the statutory authority to establish an annual quota for U.S. imports of sugars, syrups, and molasses. The global quota is allocated on a country-by-country basis among supplying countries in accordance with their historic shares of the U.S. market. In addition, section 902 of the Food Security Act of 1985 (Public Law 99-198) requires that the U.S. sugar program operate under no cost to the Federal government. As a result of this no-net-cost requirement, the global sugar import quota has fluctuated annually. The total global sugar import quota for the 21-month period Jan. 1, 1989 through Sept. 30, 1990 is currently set at 2,834,865 metric tons (equivalent to 3,124,905 short tons). The CBI beneficiary countries account for 1,044,699 metric tons of the total quota.

Section 213 of the CBERA provides duty-free treatment under the GSP program on imports of sugar from all CBI beneficiary countries except the Dominican Republic, Guatemala, and Panama or, if the country so requests, absolute quotas whenever a proclamation to protect a U.S. sugar price support program is in effect. Sugar imports from the three countries are subject to duty-free absolute quotas. The President may adjust or suspend any of the CBERA limits or duty-free treatment depending on U.S. market conditions or to protect the price support program; more restrictive quota programs under other provisions of law also take precedence.

House Bill

Section 221 amends the sugar import quota authority under the additional U.S. notes of chapter 17 of the HTS to establish a guaranteed minimum access level for sugar imports from CBI beneficiary countries that are allocated quotas. The aggregate amounts of base quota allocations to CBI countries for any quota year after 1988 may not be less than the initial 1989 aggregate level of 371,449 metric tons. Irrespective of the total global import quota level set in future years, the CBI aggregate quota cannot be reduced below the initial 1989 level, but the CBI share would increase proportionally if the amount of the total global import quota increases in future years.

Section 221 also amends the HTS note authority to require the Secretary of Agriculture to determine whether any country is not fully utilizing its base quota allocation for that quota year and to reallocate any amount unused during that year on a pro rata basis to CBI countries receiving base quota allocations for that year. If a quota allocation is suspended or terminated with respect to any country for any year under law authorizing such action for national security or foreign policy reasons, the amount of the suspended or terminated allocation shall also be reallocated on a pro-rata basis among CBI countries receiving allocations for that year. Any unused or suspended or terminated quota amounts would be reallocated only for the same quota year; no such amounts would be carried over into a subsequent quota year.

Section 221 also authorizes the President to enter into and proclaim trade agreements with foreign governments granting appropriate compensation if any of these sugar actions are found to be inconsistent with U.S. international obligations, including under the General Agreement on Tariffs and Trade. The President must first consult with the House Ways and Means and Senate Finance Committees on the reasons for taking the action and the compensation proposed to be offered.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

TITLE III—TARIFF PROVISIONS

REFERENCE (SECTION 301 OF HOUSE BILL; SECTION 1001 OF SENATE AMENDMENT; SECTION 301 OF CONFERENCE AGREEMENT)

Present Law

No provision.

House Bill

Section 301 applies to all other sections of this subtitle. It states that whenever an amendment or repeal is expressed in terms of an amendment to, or repeal of, a chapter, subchapter, note, additional U.S. note, heading, subheading, or other provision, the reference shall be considered to be made to a chapter, subchapter, note, additional U.S. note, heading, subheading, or other provision of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007).

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

SUBTITLE A—TEMPORARY SUSPENSIONS AND REDUCTIONS IN DUTIES

Part 1—New Duty Suspensions and Temporary Reductions

Castor oil and its fractions (section 311 of House bill; section 1354 of Senate amendment; section 311 of conference agreement)

Present Law

Imports of castor oil and its fractions enter under HTS subheadings 1515.30.20 and 1515.30.40 with a column 1 general rate of 3.3 cents per kilogram.

House Bill

Suspends the column 1 general rate of duty for castor oil and its fractions through December 31, 1992. Retroactive to January 1, 1989.

Senate Amendment

Identical, except no retroactive provision.

Conference Agreement

The Senate recedes with a technical amendment.

Certain jams, pastes and purees, and fruit jellies (section 312 of House bill; section 312 of conference agreement)

Present Law

Imports of certain jellies and jams enter under HTS subheading 2007.99 with column 1 general rates ranging from free to 35 percent ad valorem.

House Bill

Temporarily reduces the rate of duty on jams, pastes, purees, and fruit jellies of peaches, apricots or cherries to those prevailing under the former TSUS on December 31, 1988. Provides the President the authority to reduce permanently those rates upon his determination that appropriate reciprocity has been provided by affected trading partners. Retroactive to January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with an amendment to add jams, pastes, purees, and jellies of raspberry to the coverage of the provision.

Mercuric oxide (section 313 of House bill; section 1406 of Senate amendment; section 313 of conference agreement)

Present Law

Imports of Mercuric oxide enter under HTS subheading 2825.90.60 with a column 1 general rate of duty of 3.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Mercuric oxide through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

1,5-Naphthalene diisocyanate (section 1409 of Senate amendment; section 314 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2929.90.10 with a column 1 general rate of duty of 13.5 percent ad valorem and a column 2 rate of 15.4 cents per kilogram plus 52 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 and column 2 rates of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes.

2,3,6-Trimethylphenol (section 1407 of Senate amendment; section 315 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2907.29.30 with a column 1 general rate of duty of 7.2 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes.

p-Hydroxybenzaldehyde (section 1402 of Senate amendment; section 316 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2912.49.20 with a column 1 general rate of duty of 11.9 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes.

DMBS and HPBA (section 317 of House bill; sections 1306 and 1307 of Senate amendment; section 317 of conference agreement)

Present Law

Imports of chemicals DMBS and HPBA enter under HTS subheadings 2932.90.41 and 2906.19.00 with column 1 general rates of duty 13.5 percent ad valorem and 7.1 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rates of duty for DMBS and HPBA through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The Senate recedes.

MBEP (section 318 of House bill; section 1371 of Senate amendment; section 318 of conference agreement)

Present Law

Imports of Mono-butyl-para-ethyl phenol (MBEP) enter under HTS subheading 2907.19.50 with a column 1 general rate of duty of 7.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for MBEP through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The Senate recedes.

6-t-Butyl-2,4-xylenol (section 319 of House bill; section 1398 of Senate amendment; section 319 of conference agreement)

Present Law

Imports of the subject chemical enter under HTS subheading 2907.19.50 with a column 1 general rate of duty of 7.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 6-t-Butyl-2,4-xylenol through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

4,4'-Methylenebis(2,6-dimethylphenylcyanate) (section 320 of House bill; section 1383 of Senate amendment; section 320 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2907.29.50 with a column 1 general rate of duty of 7.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes, with a technical amendment.

Neville-Winter acid (section 321 of House bill; section 1319 of Senate amendment; section 321 of conference agreement)

Present Law

Imports of Neville-Winter acid enter under HTS subheading 2908.20.10 with a column 1 general rate of duty of 6.4 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2908.20.10 through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes with a technical amendment.

7-Hydroxy-1,3-naphthalenedisulfonic acid, dipotassium salt (section 322 of House bill; section 1345 of Senate amendment; section 322 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2908.20.50 with a column 1 general rate of 1.5 cents per kilogram plus 19.4 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 7-Hydroxy-1,2-naphthalenedisulfonic acid, dipotassium salt through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

7-Acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene (section 323 of House bill; section 1404 of Senate amendment; section 323 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2914.30.00 with a column 1 general rate of duty of 11.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Anthraquinone (section 324 of House bill; section 1312 of Senate amendment; section 324 of conference agreement)

Present Law

Imports of Anthraquinone enter under HTS subheading 2914.61.00 with a column 1 general rate of duty of 11 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Anthraquinone through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

1,4-Dihydroxyanthraquinone (section 325 of House bill; section 1338 of Senate amendment; section 325 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2914.69.50 with a column 1 general rate of duty of 11 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 1,4-Dihydroxyanthraquinone through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

2-Ethylanthraquinone (section 326 of House bill; section 1372 of Senate amendment; section 326 of conference agreement)

Present Law

Imports of 2-Ethylanthraquinone enter under HTS subheading 2914.69.50 with a column 1 general rate of duty of 11 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2-Ethylanthraquinone through December 31, 1992.

Senate amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Chlorhexanone (section 327 of House bill; section 1314 of Senate amendment; section 327 of conference agreement)

Present Law

Imports of chlorhexanone enter under HTS subheading 2914.70.50 with a column 1 general rate of duty of 4 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2914.70.50 through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The Senate recedes.

3-Aminopropanol (section 1437 of Senate amendment; section 328 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.19.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on this chemical through December 31, 1992.

Conference Agreement

The House recedes.

Naphthalic acid anhydride (section 329 of House bill; section 1315 of Senate amendment; section 329 of conference agreement)

Present Law

Imports of Naphthalic acid anhydride enter under HTS subheading 2917.39.10, with a column 1 general rate of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty on item 2917.39.10, through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Diflunisal (section 330 of House bill; section 1394 of Senate amendment; section 330 of conference agreement)

Present Law

Imports of Diflunisal enter under HTS subheading 2918.29.40 with a column 1 general rate of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2918.29.40 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Diphenolic acid (section 331 of House bill; section 1391 of Senate amendment; section 331 of conference agreement)

Present Law

Imports of this synthetic organic chemical enter under HTS subheading 2918.29.40, with a column 1 general rate of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate for Diphenolic acid through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

6-Hydroxy-2-naphthoic acid (section 332 of House bill; section 1392 of Senate amendment; section 332 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2918.29.50, with a column 1 general rate of 3.7 cents per kilogram plus 17.9 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2918.29.50 through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number and absence of chemical classification number.

Conference Agreement

The House recedes.

Methyl and ethyl parathion (section 333 of House bill; section 333 of conference agreement)

Present Law

Imports of these insecticides enter under HTS subheading 2920.10.20, with a column 1 general rate of 12.5 percent ad valorem.

House Bill

Suspends the column 1 general rates for item 2920.10.20 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

N-Methylaniline and m-Chloroaniline (section 334 of House bill; section 334 of conference agreement)

Present Law

Imports of these chemicals enter under HTS subheadings 2921.42.20 and 2921.42.50, with column 1 general rates of 5.8 percent ad valorem, and 2.4 cents per kilogram plus 18.8 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rates for these chemicals through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

4,4'-Methylenebis(3-chloro-2,6-diethylaniline) (section 335 of House bill; section 1388 of Senate amendment; section 335 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2921.42.30 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

4,4'-Methylenebis(2,6-diisopropylaniline) (section 336 of House bill; section 1389 of Senate amendment; section 336 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2921.42.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The House recedes with a technical amendment.

2-Chloro-4-nitroaniline (section 337 of House bill; section 1348 of Senate amendment; section 337 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2921.42.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2-chloro-4-nitroaniline through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

4-Chloro-a,a,a-trifluoro-o-toluidine (section 338 of House bill; section 1340 of Senate amendment; section 338 of conference agreement)

Present Law

Imports of this product enter under HTS subheading 2921.43.10 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2921.43.10 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with a technical amendment.

Trifluoromethylaniline (section 339 of House bill; section 1395 of Senate amendment; section 339 of conference agreement)

Present Law

Imports of this item enter under HTS subheading 2921.43.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for TFM Aniline item 2921.43.50 through December 31, 1992.

Senate Amendment

Identical provision, except for expiration date of December 31, 1990.

Conference Agreement

The Senate recedes with a technical amendment.

5-Amino-2-naphthalenesulfonic acid (section 340 of House bill; section 1335 of Senate amendment; section 340 of conference agreement)

Present Law

Imports of this acid enter under HTS subheading 2921.45.10 with a column 1 general rate of duty of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 5-Amino-2-naphthalene- sulfonic acid through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

7-Amino-1,3-naphthalenedisulfonic acid, monopotassium salt (section 341 of House bill; section 1341 of Senate amendment; section 341 of conference agreement)

Present Law

Imports of the chemical enter under HTS subheading 2921.45.10 with a column 1 general rate of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 7-Amino-1,3-naphthalene disulfonic acid monopotassium salt through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The Senate recedes.

4-Amino-1-naphthalenesulfonic acid, sodium salt (section 342 of House bill; section 1337 of Senate amendment; section 342 of conference agreement)

Present Law

Imports of this acid sodium salt enter under HTS subheading 2921.45.20 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this acid sodium salt through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

8-Amino-2-naphthalenesulfonic acid (section 343 of House bill; section 1333 of Senate amendment; section 343 of conference agreement)

Present Law

Imports of the product enter under HTS subheading 2921.45.20 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this product through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The Senate recedes with a technical amendment.

Mixtures of 5- and 8-amino-2-naphthalenesulfonic acid (section 344 of House bill; section 1334 of Senate amendment; section 344 of conference agreement)

Present Law

Imports of the chemical enter under HTS subheading 2921.45.30 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2921.45.30 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

1-Naphthylamine (section 345 of House bill; section 1336 of Senate amendment; section 345 of conference agreement)

Present Law

Imports of 1-Naphthylamine enter under HTS subheading 2921.45.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2921.45.50 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

6-Amino-2-naphthalenesulfonic acid (section 346 of House bill; section 1332 of Senate amendment; section 346 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2921.45.50 with a column 1 general rate of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 6-amino-2-naphthalenesulfonic acid through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Broenner's acid (section 347 of House bill; section 1317 of Senate amendment; section 347 of conference agreement)

Present Law

Imports of Broenner's acid enter under HTS subheading 2921.45.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Broenner's acid through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

D Salt (section 348 of House bill; section 1318 of Senate amendment; section 348 of conference agreement)

Present Law

Imports of D Salt enter under HTS subheading 2921.45.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for D Salt through December 31, 1992.

Senate Amendment

Substantially the same as House provision, except for reference to HTS heading number and differences in article description language.

Conference Agreement

The Senate recedes with a technical amendment.

2,4-Diaminobenzenesulfonic acid (section 349 of House bill; section 1343 of Senate amendment; section 349 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2921.51.50 with a column 1 general rate of duty of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2,4-Diaminobenzenesulfonic acid through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number.

Conference Agreement

The Senate recedes.

Paramine acid (section 350 of House bill; section 1310 of Senate amendment; section 350 of conference agreement)

Present Law

Imports of Paramine acid enter under HTS subheading 2921.59.50, with a column 1 general rate of 2.4 cents per kilogram plus 18.8 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2921.59.50 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Tamoxifen citrate (section 351 of House bill; section 1396 of Senate amendment; section 351 of conference agreement)

Present Law

Imports of this antiestrogen enter under HTS subheading 2922.19.10, with a column 1 general rate of 6.6 percent ad valorem.

House Bill

Suspends the column 1 general rate for Tamoxifen citrate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

K-Acid (section 352 of House bill; section 1316 of Senate amendment; section 352 of conference agreement)

Present Law

Imports of K-Acid enter under HTS subheading 2922.21.20 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for K-Acid through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number.

Conference Agreement

The Senate recedes.

o-Anisidine (section 353 of House bill; section 1346 of Senate amendment; section 353 of conference agreement)

Present Law

Imports of o-Anisidine enter under HTS subheading 2922.22.10 with a column 1 general rate of duty of 7.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for o-Anisidine through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The Senate recedes.

2-Amino-4-chlorophenol (section 354 of House bill; section 1342 of Senate amendment; section 354 of conference agreement)

Present Law

Imports of this product enter under HTS subheading 2922.29.10 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2-Amino-4-chlorophenol through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Ornithine (section 355 of House bill; section 1376 of Senate amendment; section 355 of conference agreement)

Present Law

Imports of L-Ornithine enter under HTS subheading 2922.49.50 with a column 1 general rate of duty of 3.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2922.49.50 through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The Senate recedes.

Clentiazim (section 1416 of Senate amendment; section 356 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2934.90.25 with a column 1 general rate of duty of 6.9 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

7-Anilino-4-hydroxy-2-naphthalenesulfonic acid (section 357 of House bill; section 1352 of Senate amendment; section 357 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.29.50 with a column 1 general rate of duty of 3.7 cents per kilogram plus 15.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 7-anilino-4-hydroxy-2-naphthalenesulfonic acid through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

1,4-Diamino-2,3-dihydroanthraquinone (section 358 of House bill; section 1353 of Senate amendment; section 358 of conference agreement)

Present Law

Imports of the subject chemical enter under HTS subheading 2922.30.30 with a column 1 general rate of duty of 3.7 cents per kilogram plus 15.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2922.30.30 through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The House recedes with a technical amendment.

Tfa Lys Pro in free base and tosyl salt forms (section 359 of House bill; section 1358 of Senate amendment; section 359 of conference agreement)

Present Law

Imports of Tfa Lys Pro in free base and tosyl salt forms enter under HTS subheadings 2933.90.50 and 2933.90.37, respectively, with a column 1 general rate of 7.9 percent and 13.5 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rates of duty for Tfa Lys Pro in free base and tosyl salt forms through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with technical amendments.

4-Fluoro-3-phenoxybenzaldehyde (section 1431 of Senate amendment; section 360 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2913.00.10 with a column 1 general rate of duty of 20 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on this chemical through December 31, 1992.

Conference Agreement

The House recedes.

1-Amino-2-bromo-4-hydroxyanthraquinone (section 361 of House bill; section 1347 of Senate amendment; section 361 of conference agreement)

Present Law

Imports of the subject chemical enter under HTS subheading 2922.50.40 with a column 1 general rate of 3.7 cents per kilogram plus 15.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 1-Amino-2-bromo-4-hydroxyanthraquinone through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

ADC-6 (section 362 of House bill; section 1393 of Senate amendment; section 362 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.50.50 with a column 1 general rate of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate for ADC-6, item 2922.50.50, through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

L-Carnitine (section 363 of House bill; section 1390 of Senate amendment; section 363 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2923.90.00 with a column 1 general rate of duty of 6.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for L-Carnitine through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Quizalofop-ethyl (section 364 of House bill; section 1427 of Senate amendment; section 364 of conference agreement)

Present Law

Imports of Quizalofop-ethyl enter under HTS subheading 2933.90.20 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty on Quizalofop-ethyl through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number.

Conference Agreement

The House recedes.

Acetoacet-para-toluidide (section 365 of House bill; section 1378 of Senate amendment; section 365 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2924.29.09 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Naphthol AS types (section 366 of House bill; section 1321 of Senate amendment; section 366 of conference agreement)

Present Law

Imports of Naphthol AS types enter under HTS subheading 2924.29.14 with a column 1 general rate of duty of 14 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2924.29.14 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with technical amendments.

Diltiazem hydrochloride, and sustained release diltiazem hydrochloride (section 1415 of Senate amendment; section 367 of conference agreement)

Present Law

Imports of these chemicals enter under HTS subheadings 2934.90.25, 3003.90.00, or 3004.90.60 with column 1 general rates of duty ranging from 6 to 6.9 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for these chemicals through December 31, 1992.

Conference Agreement

The House recedes.

Anis base (section 368 of House bill; section 1320 of Senate amendment; section 368 of conference agreement)

Present Law

Imports of Anis base enter under HTS subheading 2924.29.25 with a column 1 general rate of duty of 12.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for items 2924.29.25 through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Acetoacetsulfanilic acid, potassium salt (section 369 of House bill; section 1379 of Senate amendment; section 369 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2924.29.44 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Iohexol (section 370 of House bill; section 1401 of Senate amendment; section 370 of conference agreement)

Present Law

Imports of Iohexol enter under HTS subheading 2924.29.44 with a column 1 general rate of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate for Iohexol through September 30, 1990.

Senate Amendment

Identical provision, except for expiration date of September 30, 1991.

Conference Agreement

The House recedes.

Iopamidol (section 371 of House bill; section 1400 of Senate amendment; section 371 of conference agreement)

Present Law

Imports of Iopamidol enter under HTS subheading 2924.29.44 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Iopamidol through September 30, 1990.

Senate Amendment

Identical provision, except for expiration date of September 30, 1991.

Conference Agreement

The House recedes.

Ioxaglate (section 372 of House bill; section 1403 of Senate amendment; section 372 of conference agreement)

Present Law

Imports of Ioxaglate enter under HTS subheading 2924.29.44 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through September 30, 1990.

Senate Amendment

Identical provision, except for expiration date of September 30, 1991.

Conference Agreement

The House recedes.

4-Aminoacetanilide (section 373 of House bill; section 1331 of Senate amendment; section 373 of conference agreement)

Present Law

Imports of 4-aminoacetanilide enter under HTS subheading 2924.29.45 with a column 1 general rate of 3.7 cents per kilogram plus 18.1 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2924.29.45 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

D-carboxamide (section 374 of House bill; section 1366 of Senate amendment; section 374 of conference agreement)

Present Law

Imports of D-carboxamide enter under HTS subheading 2924.29.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for D-carboxamide, through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

2,6-Dichlorobenzonitrile (section 375 of House bill; section 1326 of Senate amendment; section 375 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2926.90.10 with a column 1 general rate of duty of 6.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for mixtures of 2,6-dichlorobenzonitrile and inert substances through December 31, 1992.

Senate Amendment

Suspends the column 1 general rate of duty for the basic chemical as well as the mixtures covered by the House bill.

Conference Agreement

The House recedes with a technical amendment.

Octadecyl isocyanate (section 376 of House bill; section 1304 of Senate amendment; section 376 of conference agreement)

Present Law

Imports of this specialty chemical enter under HTS subheading 2929.10.40, with a column 1 general rate of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2929.10.40 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

1,6-Hexamethylene diisocyanate (sections 377 and 483(c)(3) of House bill; sections 1411 and 1601(b) of Senate amendment; section 377 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2929.10.50 with a column 1 general rates of duty of 2.9 cents per kilogram plus 16.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 1,6-Hexamethylene diisocyanate through December 31, 1992.

Senate Amendment

Reduces the column 1 general rate of duty to the TSUS level of 7.9 percent ad valorem through December 31, 1992. Retroactive to January 1, 1989.

Conference Agreement

The House recedes.

1,1-Ethylidenebis(phenyl-4-cyanate) (section 378 of House bill; section 1386 of Senate amendment; section 378 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2929.90.10 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

2,2'-Bis(4-cyanatophenyl-1,1,1,3,3,3-hexafluoropropane) (section 379 of House bill; section 1384 of Senate amendment; section 379 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2929.90.10 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

4,4'-Thiodiphenyl cyanate (section 380 of House bill; section 1385 of Senate amendment; section 380 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2930.90.20 with a column 1 general rate of duty of 6.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2930.90.20 through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

2-[(4-Aminophenyl)sulfonyl]ethanol, hydrogen sulfate ester (section 381 of House bill; section 1351 of Senate amendment; section 381 of conference agreement)

Present Law

Imports of the subject chemical enter under HTS subheading 2930.90.20 with a column 1 general rate of duty of 6.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2-[(4-Aminophenyl) sulfonyl-lethanol, hydrogen sulfate ester through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with technical amendments.

Dimethoate (section 382 of House bill; section 382 of conference agreement)

Present Law

Imports of Dimethoate enter under HTS subheading 2930.90.40 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Dimethoate through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Diphenyldichlorosilane and phenyltrichlorosilane (section 383 of House bill; section 1429 of Senate amendment; section 383 of conference agreement)

Present Law

Imports of both of these chemicals enter under HTS subheading 2931.00.40, with a column 1 general rate of 17.7 percent ad valorem.

House Bill

Suspends the column 1 general rate for these chemicals through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Bendiocarb (section 384 of House bill; section 1302 of Senate amendment; section 384 of conference agreement)

Present Law

Imports of this insecticide enter under HTS subheading 2932.90.10, with a column 1 general rate of 6.8 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2932.90.10 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Rhodamine 2C base (section 385 of House bill; section 1373 of Senate amendment; section 385 of conference agreement)

Present Law

Imports of the 4 chemicals enter under HTS subheadings 2932.90.45 with a column 1 general rate of 3.7 percent per kilogram plus 16.2 percent ad valorem.

House Bill

Suspends the column 1 general rates for Rhodamine 2C base, through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

2,5-Dichloro-4-(3-methyl-5-oxo-2-pyrazolin-1-yl) benzenesulfonic acid (section 386 of House bill; section 1344 of Senate amendment; section 386 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.19.42 with a column 1 general rate of duty of 3.7 cents per kilogram plus 16.2 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number.

Conference Agreement

The Senate recedes with a technical amendment.

Ciprofloxacin, ciprofloxacin hydrochloride, and nimodipine (sections 387 and 391 of House bill; section 1360 of Senate amendment; section 387 of conference agreement)

Present Law

Imports of both Ciprofloxacin and ciprofloxacin hydrochloride enter under HTS subheading 2933.59.27 with a column 1 general rate of duty of 8.1 percent ad valorem.

Imports of Nimodipine enter under HTS subheading 2933.39.35 with a column 1 general rate of duty of 8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Ciprofloxacin and ciprofloxacin hydrochloride through December 31, 1992.

Suspends the column 1 general rate of duty for Nimodipine through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature for Ciprofloxacin and ciprofloxacin hydrochloride.

Conference Agreement

The House recedes.

BPIP (section 388 of House bill; section 1370 of Senate amendment; section 388 of conference agreement)

Present Law

Imports of Hexamethylenebistriacetonediamine enter under HTS subheading 2933.39.47 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for BPIP through December 31, 1992.

Senate Amendment

Identical provision, except for inclusion of chemical identification number.

Conference Agreement

The House recedes.

Fenofibrate (section 1397 of Senate amendment; section 389 of conference agreement)

Present Law

Imports of fenofibrate enter under HTS subheading 3004.90.60 with a column 1 general rate of duty of 6.3 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for fenofibrate through December 31, 1992.

Conference Agreement

The House recedes.

Norfloxacin (section 390 of House bill; section 1365 of Senate amendment; section 390 of conference agreement)

Present Law

Imports of Norfloxacin enter under HTS subheading 2933.59.27 with a column 1 general rate of duty of 8.1 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Norfloxacin through December 31, 1992.

Senate Amendment

Identical provision, except for chemical nomenclature.

Conference Agreement

The House recedes.

6-Methyluracil (section 392 of House bill; section 1380 of Senate amendment; section 391 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.59.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

2,4-Diamino-6-phenyl-1,3,5-triazine (section 393 of House bill; section 1399 of Senate amendment; section 392 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.69.00 with a column 1 general rate of duty of 3.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for 2,4-Diamino-6-phenyl-1,3,5-triazine through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Amiloride hydrochloride (section 394 of House bill; section 1367 of Senate amendment; section 393 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.90.36 with a column 1 general rate of duty of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Amiloride hydrochloride through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Trimethyl base (section 395 of House bill; section 1350 of Senate amendment; section 394 of conference agreement)

Present Law

Imports of this chemical, also known as Fischer's base, enter under HTS subheading 2933.90.39, with a column 1 general rate of 3.7 cents per kilogram plus 16.2 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2933.90.39 through December 31, 1992.

Senate Amendment

Identical provision, except for reference to chemical name.

Conference Agreement

The House recedes.

Ala pro (section 396 of House bill; section 1357 of Senate amendment; section 395 of conference agreement)

Present Law

Imports of L-Alanyl-L-proline enter under HTS subheading 2933.90.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Ala pro through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Thiothiamine hydrochloride (section 397 of House bill; section 1309 of Senate amendment; section 396 of conference agreement)

Present Law

Imports of Thiothiamine hydrochloride enter under HTS subheading 2934.10.50 with a column 1 general rate of duty of 7.9 percent ad valorem or subheading 2934.10.10 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2934.10.50 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Ethyl 2-(2-aminothiazol-4-yl)-2-hydroxyiminoacetate (section 398 of House bill; section 1381 of Senate amendment; section 397 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2934.10.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

Ethyl 2-(2-aminothiazol-4-yl)-2-methoxyaminoacetate (section 399 of House bill; section 1382 of Senate amendment; section 398 of conference agreement)

Present Law

Imports of this chemical enter under HTS heading 2934.10.50 with a column 1 general rate of duty of 7.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision, except for absence of chemical identification number.

Conference Agreement

The House recedes.

7-Nitronaphth[1,2]-oxadiazole-5-sulfonic acid (section 400 of House bill; section 1339 of Senate amendment; section 399 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2934.90.06 with a column 1 general rate of duty of 7.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Ceftazidime tertiary butyl ester (section 401 of House bill; section 1322 of Senate amendment; section 400 of conference agreement)

Present Law

Imports of Ceftazidime tertiary butyl ester enter under HTS subheading 2934.90.25 with a column 1 general rate of duty of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2934.90.25 through December 31, 1992. Retroactive to January 1, 1988.

Senate Amendment

Identical provision, except for expiration date of June 30, 1992. No retroactive provision.

Conference Agreement

The House recedes with an amendment to change expiration date to December 31, 1992.

Chemical intermediate (section 402 of House bill; section 401 of conference agreement)

Present Law

Imports of this chemical intermediate enter under HTS subheading 2934.90.40, with a column 1 general rate of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2934.90.40 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Sulfachloropyridazine (section 403 of House bill; section 1308 of Senate amendment; section 402 of conference agreement)

Present Law

Imports of sulfachloropyridazine enter under HTS subheading 2935.00.39, with a column 1 general rate of 10.8 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2935.00.39 through December 31, 1992.

Senate Amendment

Identical provision, except for expiration date of December 31, 1990.

Conference Agreement

The Senate recedes.

Mixed ortho/para-toluenesulfonamides (section 404 of House bill; section 1325 of Senate amendment; section 403 of conference agreement)

Present Law

Imports of mixed ortho/para-toluenesulfonamides enter under HTS subheading 2935.00.47 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for mixed ortho/para-toluenesulfonamides through December 31, 1992.

Senate Amendment

Identical provision, except for additional retroactive duty-free treatment to January 1, 1989.

Conference Agreement

The Senate recedes.

Herbicide intermediate (section 405 of House bill; section 404 of conference agreement)

Present Law

Imports of this herbicide intermediate enter under HTS subheading 2935.00.47 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this herbicide intermediate through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

N-(4-(((2-Amino-5-formyl-1,4,5,6,7,8- hexahydro-4-oxo-6-pteridinyl)methyl) amino)benzoyl)-L-glutamic acid (section 406 of House bill; section 1364 of Senate amendment; section 405 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2936.29.20 with a column 1 general rate of duty of 6.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2936.29.20 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The House recedes.

Theobromine (section 407 of House bill; section 1313 of Senate amendment; section 406 of conference agreement)

Present Law

Imports of Theobromine enter under HTS subheadings 2939.90.50 or 2939.90.10 with a column 1 general rate of duty of 3.7 percent ad valorem, or 1.8 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rate of duty on Theobromine through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

(6R-(6a,7B(Z)))-7-(((2-Amino-4-thiazolyl)((carboxymethoxy) imino)aetyl)amino)-3-ethenyl-8-oxo-5-thia-1-azabicyclo(4.2.0) oct-2-ene-2-carboxylic acid (Cefixime) (section 408 of House bill; section 1363 of Senate amendment; section 407 of conference agreement)

Present Law

Imports of this chemical treated as an antibiotic for tariff purposes enter under HTS subheading 2941.90.50 with a column 1 general rate of 3.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Cefixime through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with technical amendments.

Teicoplanin (section 409 of House bill; section 1377 of Senate amendment; section 408 of conference agreement)

Present Law

Imports of Teicoplanin enter under HTS subheading 3003.20.00 (bulk form), and 3004.20.00 (dosage form), both with column 1 general rates of duty of 3.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for dosage form through December 31, 1992.

Senate Amendment

Suspends the column 1 general rate of duty for both dosage and bulk forms through December 31, 1992.

Conference Agreement

The House recedes.

Carfentanil citrate (section 410 of House bill; section 409 of conference agreement)

Present Law

Imports of Carfentanil citrate enter under HTS subheading 3004.90.60 with a column 1 general rate of duty of 6.3 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Carfentanil citrate through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Calcium acetylsalicylate (section 411 of House bill; section 1301 of Senate amendment; section 410 of conference agreement)

Present Law

Imports of calcium carbaspirin enter under HTS subheading 2918.22.50 (bulk form) with a column 1 general rate of duty of 6.8 percent ad valorem, and under 3004.90.60 (dosage form) with a column 1 general rate of 6.3 percent ad valorem.

House Bill

Suspends the column 1 general rate for dosage form throughDecember 31, 1992.

Senate Amendment

Suspends the column 1 general rate for bulk form through December 31, 1992.

Conference Agreement

The House recedes with an amendment to combine both provisions.

Sucralfate (section 1311 of Senate amendment; section 411A of conference agreement)

Present Law

Imports of sucralfate enter under HTS subheading 2940.00.00 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for sucralfate through December 31, 1992.

Conference Agreement

The House recedes.

1-[1-((4-Chloro-2-(trifluoromethyl)phenyl) imino)-2-propoxyethyl]-1-H-imidazole (section 1327 of Senate amendment; section 411B of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.29.30 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes.

Copper acetate monohydrate (section 1418 of Senate amendment; section 411C of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2915.29.00 with a column 1 general rate of duty of 2.8 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

0,0-Dimethyl-S-[(4-oxo-1,2,3-benzotriazin-3-(4H)-yl)methyl]phosphorodithioate (section 1355 of Senate amendment; section 411D of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.90.18 with a column 1 general rate of duty of 12.5 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

p-Tolualdehyde (section 1414 of Senate amendment; section 412 of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2912.29.50 with a column 1 general rate of duty of 11.4 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The House recedes.

Certain acid black powder and presscake (section 413 of House bill; section 1434 of Senate amendment; section 413 of conference agreement)

Present Law

Imports of these compounds enter under HTS subheading 3204.12.40 with a column 1 general rate of 15 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain acid black powder and presscake through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Pigment red 178 (section 414 of House bill; section 1433 of Senate amendment; section 414 of conference agreement)

Present Law

Imports of Pigment red 178 enter under HTS subheading 3204.17.10, with column 1 and 2 rates of duty of 8.3 and 46.8 percent ad valorem, respectively.

House Bill

Suspends the column 1 duty for Pigment red 178 coatings through December 31, 1990.

Senate Amendment

Suspends the column 2 duty for Pigment red 178 coatings through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment to suspend column 1 duty.

Pigment red 149 dry and presscake (section 415 of House bill; section 1435 of Senate amendment; section 415 of conference agreement)

Present Law

Imports of these pigments enter under HTS subheading 3204.17.50, with a column 1 general rate of 20 percent ad valorem.

House Bill

Suspends the column 1 general rate for these pigments through December 31, 1990.

Senate Amendment

Identical provision, except for expiration date of December 31, 1992.

Conference Agreement

The House recedes.

Solvent yellow 43 (section 416 of House bill; section 416 of conference agreement)

Present Law

Imports of fluorescent yellow R dyes enter under HTS subheading 3204.19.15, with a column 1 general rate of 15 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 3204.19.15 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Solvent yellow 44 (section 417 of House bill; section 417 of conference agreement)

Present Law

Imports of these dyes enter under HTS subheading 3204.19.19, with a column 1 general rate of 20 percent ad valorem.

House Bill

Suspends the column 1 general rate for solvent yellow 44 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Modeling pastes (section 418 of House bill; section 1405 of Senate amendment; section 418 of conference agreement)

Present Law

Imports of these modeling pastes enter under HTS subheading 3407.00.20 with a column 1 general rate of 10 percent ad valorem.

House Bill

Suspends the column 1 general rate for modeling pastes through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The Senate recedes with a technical amendment.

Metal oxide varistors (section 1717 of Senate amendment; section 419 of conference agreement)

Present Law

Imports of metal oxide varistors enter under HTS subheadings 8533.40.00, 8541.10.00, and 8541.50.00 with a column 1 general rate of duty ranging from free to 6 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on this item through December 31, 1992. Retroactive to January 1, 1989.

Conference Agreement

The House recedes with technical amendments.

Chemical light activator blends (section 420 of House bill; section 1368 of Senate amendment; section 420 of conference agreement)

Present Law

Imports of the chemical mixture enter under HTS subheading 3823.90.29 with a column 1 general rate of duty of 3.7 cents per kilogram plus 13.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for chemical light activator blend through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Polymin P and polymin P hydrochloride, and polymin SNA 60 (section 421 of House bill; sections 1374 and 1375 of Senate amendment; section 421 of conference agreement)

Present Law

Imports of these chemicals enter under HTS subheadings 3911.90.50 and 3911.90.30 with column 1 general rates of 2.2 cents per kilogram plus 7.7 percent ad valorem and 5.8 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rates for polymin P and polymin P hydrochloride, and polymin SNA 60 through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number and absence of chemical identification number.

Conference Agreement

The House recedes.

Hydrocarbon novolac cyanate ester (section 423 of House bill; section 1387 of Senate amendment; section 422 of conference agreement)

Present Law

Imports of this item enter under HTS heading 3911.90.30 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this item through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Theatrical, ballet, and operatic scenery, properties, and sets (section 451 of House bill; section 1430 of Senate amendment; section 423 of conference agreement)

Present Law

Imports of operatic scenery and properties enter under various HTS subheadings with varying column 1 general rates of duty; a few are entered under HTS heading 9813.00.65 duty-free under bond.

House Bill

Suspends the column 1 general rates of duty for operatic scenery and properties, including operatic sets imported by certain nonprofit, cultural organizations through December 31, 1992.

Senate Amendment

Substantially the same as House provision, except incorporates theatrical and ballet properties into scope of duty suspension. Retroactive to January 31, 1990.

Conference Agreement

The House recedes.

Wicker products (section 425 of House bill; section 1362 of Senate amendment; section 424 of conference agreement)

Present Law

Imports of certain wicker products enter under HTS subheadings 4602.10.11, 4602.10.13, 4602.10.19, 4602.10.40, or 4602.10.50 with column 1 general rates of duty ranging from 3 percent ad valorem to 10 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for these wicker products through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Certain plastic web sheeting (section 426 of House bill; section 1323 of Senate amendment; section 425 of conference agreement)

Present Law

Imports of nonwoven fiber sheet of polyester fibers enter under HTS subheading 5603.00.90 with a column 1 general rate of 12.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty on certain plastic web sheeting through December 31, 1992.

Senate Amendment

Identical provision, except for technical drafting differences.

Conference Agreement

The House recedes with a technical amendment.

Protective sports apparel (section 427 of House bill; section 1408 of Senate amendment; section 426 of conference agreement)

Present Law

Imports of protective sports articles of textile materials enter under HTS subheadings 6201.93 and 6203.43 with column 1 general rates of duty ranging from 7.6 percent to 62.9 cents per kilogram plus 21 percent ad valorem.

House Bill

Reduces through December 31, 1992, the column 1 general rates of duty for protective sports articles of textile materials to apply the same rates of duty that applied to such goods before January 1, 1989. Retroactive to January 1, 1989.

Senate Amendment

Substantially the same as House provision, except for specific reference to ice and field hockey pants and additional HTS subheadings. No retroactive provision.

Conference Agreement

The House recedes with an amendment to add retroactive provision and make technical changes. It is the understanding of the conferees that this provision applies to certain protective ski apparel.

Isoindolenine red pigment (section 1436 of Senate amendment; section 427 of conference agreement)

Present Law

Imports of this pigment enter under HTS subheading 3204.17.30 with a column 1 general rate of duty of 15 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on this pigment through December 31, 1992.

Conference Agreement

The House recedes.

Gripping narrow fabrics (section 429 of House bill; section 1369 of Senate amendment; section 428 of conference agreement)

Present Law

Imports of fastener fabric tapes of manmade fibers enter under HTS subheading 5806.10.20 with a column 1 general rate of duty of 9.5 percent ad valorem.

House Bill

Reduces the column 1 general rate of duty for gripping narrow fabrics to 7 percent ad valorem through December 31, 1992. Retroactive to January 1, 1989.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

In-line roller skate boots (section 430 of House bill; section 1412 of Senate amendment; section 429 of conference agreement)

Present Law

Imports of boots actually used in the manufacture of in-line roller skates enter under HTS subheading 6402.19.10 with a column 1 general rate of duty of 6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 6402.19.10 through December 31, 1992.

Senate Amendment

Identical provision, except for additional retroactive duty-free treatment to April 30, 1986.

Conference Agreement

The Senate recedes.

Self-folding collapsible umbrellas (section 431 of House bill; section 1410 of Senate amendment; section 430 of conference agreement)

Present Law

Imports of self-folding collapsible umbrellas enter under HTS subheading 6601.91.00, with a column 1 general rate of 8.2 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 6601.91.00 through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Glass bulbs (section 432 of House bill; section 1303 of Senate amendment; section 431 of conference agreement)

Present Law

Imports of glass bulbs enter under HTS subheading 7011.20.00 with a column 1 general rate of duty of 6.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain glass bulbs through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to the House and Senate provisions with a technical amendment.

Drinking glasses with special effects in the glass (section 433 of House bill; section 432 of conference agreement)

Present Law

Imports of certain glasses with special effects in the glass enter under HTS subheadings 7013.29.10 or 7013.29.20 with column 1 general rates ranging from 6 to 38 percent ad valorem.

House Bill

Reduces the rates for certain drinking glasses to those prevailing under the former TSUS through December 31. 1992. Retroactive to January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Certain glass fibers (section 434 of House bill; section 1421 of Senate amendment; section 433 of conference agreement)

Present Law

Imports of colored glass yarns enter under HTS headings 7019.10.10, 7019.10.20, and 7019.10.60 with column 1 general rates of duty ranging from 6.0 to 9.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain fiberglass yarns through December 31, 1992.

Senate Amendment

Identical provision, except for differences in article description language.

Conference Agreement

The House recedes.

Articles of semiprecious stones (section 435 of House bill; section 434 of conference agreement)

Present Law

Imports of certain semiprecious stones enter under HTS subheading 7116.20.20 with a column 1 general rate of 21 percent ad valorem.

House Bill

Temporarily reduces the rates for graded, semiprecious stones strung temporarily for convenience of transport to those prevailing under the former TSUS (column 1 general rate of 2.1 percent ad valorem.) Retroactive to January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Luggage frames of aluminum (section 436 of House bill; section 435 of conference agreement)

Present Law

Imports of aluminum luggage frames enter under HTS subheading 7616.90.00 with a column 1 general rate of duty of 5.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain luggage frames of aluminum through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Molten-salt-cooled acrylic acid reactors (section 437 of House bill; section 1305 of Senate amendment; section 436 of conference agreement)

Present Law

Imports of these products enter under HTS subheadings 8419.89.50, 8419.90.30, or 8419.90.90, with column 1 general rates of 4.2 percent ad valorem.

House Bill

Suspends the column 1 general rates for these products entered on or before December 31, 1992. Retroactive to July 1, 1989.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Certain paper products (section 1432 of Senate amendment; section 437 of conference agreement)

Present Law

Imports of certain toilet paper, and handkerchiefs and facial tissues or towels enter under HTS subheadings 4818.10.00 and 4818.20.00, respectively, with column 1 general rates of duty of 5.3 percent ad valorem.

House Bill

No provision.

Senate Amendment

Reduces the column 1 general rates of duty on these products to 3.5 percent ad valorem through December 31, 1992.

Conference Agreement

The House recedes.

Impact line printers (section 439 of House bill; section 1330 of Senate amendment; section 438 of conference agreement)

Present Law

Imports of all impact line printers, regardless of drive mechanism, enter under HTS subheading 8471.92.65, with a column 2 rate of 35 percent ad valorem.

House Bill

Reduces the column 2 rate of duty for item 8471.92.65 to 3.75 percent ad valorem through December 31, 1992. Retroactive to October 1, 1988.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Machines used in the manufacture of bicycle parts; certain bicycle parts (section 440 of House bill; section 1356 of Senate amendment; section 439 of conference agreement)

Present Law

Imports of these items enter under HTS heading 8479 and 8714 with column 1 general rates of duty from 3.7 percent ad valorem to 10 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain bicycle parts and machines through December 31, 1992.

Senate Amendment

Identical provision, except for exclusion of handlebar stem hardware.

Conference Agreement

The Senate recedes.

Motor vehicle parts (section 441 of House bill; section 440 of conference agreement)

Present Law

Imports of certain motor vehicle parts enter under HTS subheading 7014.00.20 and certain provisions of heading 8483 with varying rates of duty; they are not currently eligible for benefits of the Automotive Products Trade Act.

House Bill

Restores duty-free treatment for certain motor vehicle parts retroactive to January 1, 1989, through the date on which the President proclaims modifications to the Harmonized Tariff Schedule. Additional provisions provide for reliquidation of entries already made during that period.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with an amendment to limit scope to imports from Canada.

Parts of generators for use on aircraft (section 442 of House bill; section 1419 of Senate amendment; section 441 of conference agreement)

Present Law

Imports of parts of generators for aircraft enter under HTS subheading 8503.00.60 with a column 1 general rate of duty of 3 percent ad valorem; certain parts enter free of duty under the Civil Aircraft Agreement.

House Bill

Suspends the column 1 general rates of duty for parts of generators for use on aircraft through December 31, 1992. Retroactive to January 1, 1989.

Senate Amendment

Identical provision, except for reference to HTS heading number(s).

Conference Agreement

The Senate recedes.

Magnetic video tape recordings (section 443 of House bill; section 1324 of Senate amendment; section 442 of conference agreement)

Present Law

Imports of pre-recorded magnetic videotapes enter under HTS subheading 8524.23.10, with a column 1 general rate of $0.0066 per linear meter (yielding $1.60 per "standard" cassette). Duties on these items had been suspended entirely under terms of the Nairobi Protocol between 1983 and 1987.

House Bill

Suspends duty on magnetic videotape recordings of a width exceeding 6.5 millimeters, but not exceeding 16 millimeters, in cassettes of U.S. origin, valued at not over $7.00 per cassette; provided for in item 8524.23.10, through December 31, 1992. Retroactive to January 1, 1988.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Certain infant nursery monitors and intercoms (section 444 of House bill; section 1420 of Senate amendment; section 443 of conference agreement)

Present Law

Imports of infant nursery monitors and intercoms enter under HTS subheadings 8504.40.00, 8525.10.60, 8525.20.20, 8527.39.00, or 8527.90.80 with column 1 general rates of duty ranging from 2 percent to 6 percent ad valorem.

House Bill

Suspends the column 1 general rates of duty for infant nursery monitors and intercoms through December 31, 1992.

Senate Amendment

Identical provision, except for reference to HTS heading number(s).

Conference Agreement

The House recedes with a technical amendment.

Insulated winding wire cable (section 1428 of Senate amendment; section 444 of conference agreement)

Present Law

Imports of self-contained fluid filled (SCFF) submarine cable enter under HTS subheading 8544.60.40 with a column 1 general rate of duty of 5.3 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on SCFF submarine cable through December 31, 1991.

Conference Agreement

The House recedes.

Certain piston engines (section 446 of House bill; section 1426 of Senate amendment; section 445 of conference agreement)

Present Law

Imports of two-stroke cycle engines for use in vehicles (excepting personal watercraft engines) enter under HTS headings 8407, 8703, and 8704 with column 1 general rates of duty of 2.5-8.5 percent ad valorem.

House Bill

Suspends the column 1 general rates on two and four-cycle engines through December 31, 1992. No specific provision for personal water craft engines. Retroactive to January 1, 1989.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Timing apparatus with optoelectronic display only (section 447 of House bill; section 1359 of Senate amendment; section 446 of conference agreement)

Present Law

Imports of time-of-day recording apparatus enter under HTS subheading 9106.90.80 with a column 1 general rate of duty of 45 cents plus 7.0 percent ad valorem plus 2.5 cents per jewel.

House Bill

Temporarily restores the column 1 general rate of duty to 3.9 percent ad valorem on timers and clock timers as previously provided under the Tariff Schedules of the United States (TSUS) through December 31, 1992. Retroactive to January 1, 1989.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Certain furniture and seats (section 448 of House bill; section 1361 of Senate amendment; section 447 of conference agreement)

Present Law

Imports of furniture seats and parts thereof made of certain vegetable materials enter under HTS subheadings 9401.50.00, 9401.90.25, 9403.80.30 and 9403.90.25, with a column 1 general rate of 7.5 percent ad valorem.

House Bill

Suspends the column 1 general rates for furniture, seats and parts produced from unspun fibrous vegetable material through December 31, 1992.

Senate Amendment

Identical provision, except for punctuation differences.

Conference Agreement

The House recedes.

Christmas ornaments (section 449 of House bill; section 1328 of Senate amendment; section 448 of conference agreement)

Present Law

Imports of certain Christmas ornaments enter under HTS subheading 9505.10.25

with a column 1 general rate of duty of 5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain Christmas ornaments through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

3-Dimensional cameras (section 450 of House bill; section 1422 of Senate amendment; section 449 of conference agreement)

Present Law

Imports of cameras capable of producing a 3-Dimensional effect enter under HTS subheading 9006.53.00, with a column 1 general rate of 3 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for these cameras under subheading 9006.53.00 through December 31, 1992, with a further clarification of the item description.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Frozen carrots (section 1329 of Senate amendment; section 450A of conference agreement)

Present Law

Imports of frozen carrots enter under HTS subheading 0710.80.70 with a column 1 general rate of duty of 25 percent ad valorem.

House Bill

No provision.

Senate Amendment

Reduces the column 1 general rate of duty for frozen carrots to 2.2 cents per kilogram through December 31, 1992. Retroactive to January 1, 1989.

Conference Agreement

The House recedes.

Certain veneer (section 1413 of Senate amendment; section 450B of conference agreement)

Present Law

Imports of wood veneer enter under HTS subheading 4421.90.90 with a column 1 general rate of duty of 5.1 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for certain manmade or recomposed wood veneer through December 31, 1992.

Conference Agreement

The House recedes.

Personal effects and equipment of participants and officials involved in the 1990 Goodwill Games (section 1417 of Senate amendment; section 450C of conference agreement)

Present Law
No provision.

House Bill

No provision.

Senate Amendment

Suspends all duties on personal effects and equipment of alien participants and officials through September 30, 1990.

Conference Agreement

The House recedes.

Personal effects and equipment for World University Games (section 1423 of Senate amendment; section 450D of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Suspends all duties on personal effects and equipment of alien participants and officials of the 1993 World University Games through September 30, 1993.

Conference Agreement

The House recedes.

Karate pants and belts (section 1424 of Senate amendment; section 450E of conference agreement)

Present Law

Imports of karate pants and belts enter under HTS headings 6203, 6204, and 6217, with column 1 general rates of duty ranging from 15.5 to 30.4 percent ad valorem.

House Bill

No provision.

Senate Amendment

Reduces the column 1 general rate of duty on karate pants and belts to 8 percent ad valorem through December 31, 1992.

Conference Agreement

The House recedes.

Metallurgical fluorspar (section 1425 of Senate amendment; section 450F of conference agreement)

Present Law

Imports of metallurgical fluorspar enter under HTS subheading 2529.21.00 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on metallurgical fluorspar through December 31, 1992.

Conference Agreement

The House recedes.

Hexyl chloride (section 314 of House bill)

Present Law

Imports of Hexyl chloride enter under HTS subheading 2903.19.50 with a column 1 general rate of duty of 18 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Hexyl chloride through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

tertiary-Butyl chloride (section 315 of House bill)

Present Law

Imports of tertiary-Butyl chloride enter under HTS subheading 2903.19.50 with a column 1 general rate of duty of 18 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for this product through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Hexachlorobutadiene (section 316 of House bill)

Present Law

Imports of Hexachlorobutadiene enter under HTS subheading 2903.29.00 with a column 1 general rate of duty 18 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for Hexachlorobutadiene through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

p-Toluic acid (section 328 of House bill)

Present Law

Imports of p-Toluic acid enter under HTS subheading 2916.39.50 with a column 1 general rate of duty of 3.7 cents per kilogram plus 17.9 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for p-Toluic acid through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

DEMAP (section 356 of House bill)

Present Law

Imports of this chemical enter under HTS subheading 2922.29.15, with a column 1 general rate of 6.8 percent ad valorem.

House Bill

Suspends the column 1 general rate for DEMAP, item 2922.29.15, through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Levodopa (section 360 of House bill)

Present Law

Imports of this product enter under HTS subheading 2922.50.25, with a column 1 general rate of 8.7 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 2922.50.25 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

N-[[(4-chlorophenyl)-amino]carbonyl]- 2,6-difluorobenzamide (section 367 of House bill)

Present Law

Imports of these chemicals enter under HTS subheadings 2924.29.19 and 3808.10.20 with column 1 general rates of duty of 12.9 percent and 1.8 cents per kilogram plus 9.7 percent ad valorem, respectively.

House Bill

Suspends the column 1 general rates of duty for these chemicals through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

12,2,6,6-Tetramethyl-4-piperidinon and amino hydroxy- and imido derivatives (section 389 of House bill)

Present Law

Imports of these chemicals enter under HTS subheading 2933.39.47 with a column 1 general rate of duty of 13.5 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 2933.39.47 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Resolin Red F3BS (section 412 of House bill)

Present Law

Imports of Resolin Red F3BS enter under HTS subheading 3204.11.20, with a column 1 general rate of 15 percent ad valorem.

House Bill

Suspends the column 1 general rate for item 3204.11.20 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Mono- and dibenzyl toluenes (section 419 of House bill)

Present Law

Imports of mono- and dibenzyl toluenes enter under HTS subheading 3823.90.29 with a column 1 general rate of duty of 3.7 cents per kilogram plus 13.6 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for item 3823.90.29 through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Specialty thermoset resin (section 422 of House bill)

Present Law

Imports of this specialty thermoset resin enter under HTS subheading 3911.90.30 with a column 1 general rate of duty of 5.8 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain specialty thermoset resin through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Chlorinated synthetic rubber (section 424 of House bill)

Present Law

Imports of chlorinated synthetic rubber enter under HTS subheading 3913.90.50 with a column 1 general rate of duty of 2.2 cents per kilogram plus 7.7 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for chlorinated synthetic rubber through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Garments specially designed for handicapped persons who are not ambulatory (section 428 of House bill)

Present Law

Imports of particular garments for nonambulatory handicapped persons enter under HTS headings 6203, 6304, and 6205 with column 1 general rates of duty ranging from 4.7 percent to 52.9 cents per kilogram plus 21 percent ad valorem (trousers); 5.9 percent to 17 percent ad valorem (dresses), 3 percent to 52.9 cents per kilogram plus 21 percent ad valorem (shirts); and 3.7 percent to 82.7 cents per kilogram plus 21 percent ad valorem (blouses).

House Bill

Suspends the column 1 general rates of duty for particular garments specially designed for handicapped persons who are not ambulatory through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Zinc printing type (section 438 of House bill)

Present Law

Imports of zinc printing type enter under HTS subheading 8442.50.90 with a column 1 general rate of duty of 8 percent ad valorem.

House Bill

Reduces the column 1 general rate of duty for zinc printing type to 3.7 percent ad valorem through December 31, 1992. Retroactive to January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

Certain machined electronic connector contact parts (section 445 of House bill)

Present Law

Imports of machined electronic connector contact parts enter under HTS subheading 8538.90.00 with a column 1 general rate of duty of 5.3 percent ad valorem.

House Bill

Suspends the column 1 general rate of duty for certain machined electronic connector contact parts through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The House recedes.

(1,3,3-Trimethyl-indoline-2-ylidene)-acetaldehyde (section 1349 of Senate amendment)

Present Law

Imports of this chemical enter under HTS subheading 2933.90.39 with a column 1 general rate of duty of 3.7 cents per kilogram plus 16.2 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty for this chemical through December 31, 1992.

Conference Agreement

The Senate recedes.

Ranitidine hydrochloride (section 1438 of Senate amendment)

Present Law

Imports of this chemical enter under HTS subheading 2932.19.50 with a column 1 general rate of duty of 3.7 percent ad valorem.

House Bill

No provision.

Senate Amendment

Suspends the column 1 general rate of duty on this chemical through December 31, 1992.

Conference Agreement

The Senate recedes. The House conferees were unable to accept this provision because of strong opposition from domestic interests and the Administration. In light of the fact that a number of competing allegations have been made with respect to this product, however, the House conferees agree to hold public hearings on this issue this year. The conferees further agree to request an ITC study of the domestic competition in the ulcer drug market to determine the potential impact of this provision. The House conferees agree not to object to the inclusion of this provision in a subsequent tax bill solely on the grounds that this is a trade matter if the House's hearings demonstrate that the proposed relief does not adversely impact domestic competition.

PART 2—EXISTING TEMPORARY DUTY SUSPENSIONS

Extension of certain existing suspensions of duty (section 461 of House bill; sections 1201, 1202, 1209, 1210 of Senate amendment)

a. Crude feathers and down (section 461(a)(1) of House bill; section 461(a)(1) of conference agreement)

Present Law

Imported crude feathers and down are classifiable under HTS subheading 0505.10.00, but receive temporary duty-free treatment under subheadings 9902.05.10 and 9902.05.11 (expires December 31, 1990).

House Bill

Continues current duty suspension through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

b. Fresh cantaloupes (section 461(a)(2) of House bill; section 1201(1) of Senate amendment; section 461(a)(2) of conference agreement)

Present Law

Imports of fresh cantaloupes enter under HTS subheading 0807.10.20 with a column 1 general rate of 35 percent ad valorem; duty currently suspended under heading 9902.08.07 until December 31, 1990.

House Bill

Continues current part-year duty suspension for fresh cantaloupes imported through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

c. Mixtures of hot red peppers and salt (section 461(a)(3) of House bill; section 461(a)(3) of conference agreement)

Present Law

Imports of hot red peppers are classifiable under HTS subheading 0904.20.40, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.09.04 (expires December 31, 1990).

House Bill

Continues current duty-free treatment of column 1 general rates for certain mixtures of hot red peppers and salt through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

d. p-toluene-sulfonyl chloride (section 461(a)(4) of House bill; section 1201(2) of Senate amendment; section 461(a)(4) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2904.10.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.04.

House Bill

Extends current duty suspension for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

e. Certain menthol feedstocks (section 461(a)(5) of House bill; section 1209 of Senate amendment; section 461(a)(5) of conference agreement)

Present Law

Imports of menthol feedstocks, which contain not more than 20 percent by weight of any one stereoisomer, enter under HTS subheading 2906.19.00 with a column 1 general rate of duty of 7.1 percent ad valorem; but these products now enter duty-free under HTS heading 9902.29.05 until December 31, 1990.

House Bill

Continues duty-free treatment for certain menthol feedstocks through December 31, 1992.

Senate Amendment

Substantially the same as House provision, except raises the limit to 30 percent for any one stereoisomer.

Conference Agreement

The Senate recedes.

f. Dicofol (section 461(a)(6) of House bill; section 1201(3) of Senate amendment; section 461(a)(6) of conference agreement)

Present Law

Imports of these chemicals are classifiable under HTS subheadings 2906.29.50 and 3808.90.10, but receive temporary duty-free treatment for column 1 sources under HTS headings 9902.29.06 and 9902.38.11 (expires December 31, 1990).

House Bill

Continues current duty suspension for dicofol and on mixtures of dicofol and application adjuvant through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

g. Triethylene glycol dichloride (section 461(a)(7) of House bill; section 1201(5) of Senate amendment; section 461(a)(7) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2909.19.50, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.11 (expires December 31, 1990).

House Bill

Continues current duty suspension for triethylene glycol dichloride through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

h. 2,6-dichlorobenzaldehyde (section 461(a)(8) of House bill; section 1201(6) of Senate amendment; section 461(a)(8) of conference agreement)

Present Law

Imports of this product enter under HTS subheading 2913.00.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.13 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

i. Dinocap (section 461(a)(9) of House bill; section 1201(7) of Senate amendment; section 461(a)(9) of conference agreement)

Present Law

Imports of these products are classifiable under HTS headings 2916.19.50 and 3808.20.10, but receive temporary duty-free treatment for column 1 sources under HTS subheadings 9902.29.14 and 9902.38.06 (which expire December 31, 1990).

House Bill

Continues the current duty suspension on dinocap and on mixtures of dinocap with application adjuvants through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

j. m-hydroxybenzoic acid (section 461(a)(10) of House bill; section 1201(8) of Senate amendment; section 461(a)(10) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2918.29.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.21 (expires December 31, 1990).

House Bill

Continues the current duty suspension for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

k. d-6-methoxy-a-methyl-2-naphthaleneacetic acid and its sodium salt (section 461(a)(11) of House bill; section 1201(9) of Senate amendment; section 461(a)(11) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2918.90.30 with a column 1 general rate of duty of 6.8 percent ad valorem; duty currently suspended under heading 9902.29.22 until December 31, 1990.

House Bill

Continues the current duty suspension for this imported chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

l. 3-amino-3-methyl-1-butyne (section 461(a)(12) of House bill; section 1201(11) of Senate amendment; section 461(a)(12) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2921.19.50, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.24 (expires December 31, 1990).

House Bill

Continues current duty suspension for 3-amino-3-methyl-1-butyne through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

m. 8-amino-1-naphthalenesulfonic acid and its salts (section 461(a)(13) of House bill; section 1201(13) of Senate amendment; section 461(a)(13) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2921.45.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.30 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

n. 5-amino-2 (p-aminoanilino) benzenesulfonic acid (section 461(a)(14) of House bill; section 1201(14) of Senate amendment; section 461(a)(14) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2921.59.10, but receive temporary duty-free treatment for column 1

sources under HTS heading 9902.29.31 (expires December 31, 1990).

House Bill

Extends current duty suspension for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

o. 1-amino-8-hydroxy-3,6-naphthalenedisulfonic acid; and 4-amino-5-hydroxy-2,7-naphthalenedisulfonic acid, monosodium salt (H acid, monosodium salt) (section 461(a)(15) of House bill; section 1201(15) of Senate amendment; section 461(a)(15) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.21.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.33 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

p. 1-amino-2,4-dibromoanthraquinone (section 461(a)(16) of House bill; section 1201(19) of Senate amendment; section 461(a)(16) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.30.30, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.43 (expires December 31, 1990).

House Bill

Extends current duty suspension for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

q. Bromamine acid (section 461(a)(17) of House bill; section 1201(20) of Senate amendment; section 461(a)(17) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2922.30.30, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.44 (expires December 31, 1990).

House Bill

Extends current duty suspension for this chemical through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

r. N-(7-hydroxy-1-naphthyl)acetamide (section 461(a)(18) of House bill; section 1201(23) of Senate amendment; section 461(a)(18) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2924.29.09, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.51.

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

s. N,N-bis(2-cyanoethyl)aniline (section 461(a)(19) of House bill; section 1201(24) of Senate amendment; section 461(a)(19) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2926.90.40, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.57 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

t. Triallate (section 461(a)(20) of House bill; section 1201(26) of Senate amendment; section 461(a)(20) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2930.20.50 (3.7 percent), but receive duty-free treatment for column 1 sources under HTS heading 9902.29.60 (expires December 31, 1990).

House Bill

Continues the current duty suspension on triallate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

u. 6-(3-methyl-5-oxo-1-pyrazolyl)-1,3-naphthalenedisulfonic acid (amino-J-pyrazolone) (CAS No. 7277-87-4); and 3-methyl-1-phenyl-5-pyrazolone (methylphenylpyrazolone) (section 461(a)(21) of House bill; section 1201(29) of Senate amendment; section 461(a)(21) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2933.19.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.64 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

v. m-sulfaminopyrazolone (m-sulfamidophenylmethylpyrazolone) (section 461(a)(22) of House bill; section 1201(30) of Senate amendment; section 461(a)(22) of conference agreement)

Present Law

Imports of these chemicals enter with HTS column 1 general rates of duty ranging from 5.8 percent ad valorem to 1.5 cents per kilogram plus 19.4 percent ad valorem but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.66.

House Bill

Extends current duty suspension for certain benzenoid dye intermediates through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

w. 2-n-octyl-4-isothiazolin-3-one, and mixtures of 2-n-octyl-4-isothiazolin-3-one and application adjuvants (section 461(a)(23) of House bill; section 1201(35) of Senate amendment; section 461(a)(23) of conference agreement)

Present Law

Imports of these products are classifiable under HTS subheadings 2934.10.50, 3808.90.20, and 3808.90.50, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.76 (expires December 31, 1990).

House Bill

Continues current duty suspension for these products through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

x. 2-amino-N-ethylbenzenesulfonanilide (section 461(a)(24) of House bill; section 1201(36) of Senate amendment; section 461(a)(24) of conference agreement)

Present Law

Imports of this chemical enter under HTS subheading 2935.00.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.79 (expires December 31, 1990).

House Bill

Extends current duty suspension for this intermediate through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

y. Methylene blue (section 461(a)(25) of House bill; section 1201(38) of Senate amendment; section 461(a)(25) of conference agreement)

Present Law

Imports of methylene blue are classifiable under HTS subheading 3204.13.50, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.32.04 (expires December 31, 1990).

House Bill

Continues current duty suspension for methylene blue through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

z. Mixtures of dinocap with application adjuvants (section 461(a)(26) of House bill; section 1201(40) of Senate amendment; section 461(a)(26) of conference agreement)

Present Law

Imports of these products are classifiable under HTS subheadings 2916.19.50 and 3808.20.10, but receive temporary duty-free treatment for column 1 sources under HTS headings 9902.29.14 and 9902.38.06 (which expire December 31, 1990).

House Bill

Continues the current duty suspension on dinocap and on mixtures of dinocap with application adjuvants through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

aa. Mixtures of mancozeb and dinocap (section 461(a)(27) of House bill; section 1201(41) of Senate amendment; section 461(a)(27) of conference agreement)

Present Law

Imports of these products are classifiable under HTS subheading 3808.20.10, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.38.07 (expires December 31, 1990).

House Bill

Continues the current suspension for mixtures of mancozeb and dinocap through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

bb. Mixtures of maneb, zineb, mancozeb and metiram (section 461(a)(28) of House bill; section 1201(42) of Senate amendment; section 461(a)(28) of conference agreement)

Present Law

Imports of these mixtures are classifiable under HTS subheading 3808.20.20, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.38.08 (expires December 31, 1990).

House Bill

Continues current duty suspension for mixtures of maneb, zineb, mancozeb, and metiram through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

cc. Mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride and stabilizers, whether or not containing application adjuvants (section 461(a)(29) of House bill; section 1201(43) of Senate amendment; section 461(a)(29) of conference agreement)

Present Law

Imports of these chemical mixtures are classifiable under HTS subheading 3808.90.20, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.38.10 (expires December 31, 1990).

House Bill

Continues the current duty suspension for these chemical mixtures through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

dd. Mixtures of dicofol and application adjuvant (section 461(a)(30) of House bill; section 1201(44) of Senate amendment; section 461(a)(30) of conference agreement)

Present Law

Imports of these chemicals are classifiable under HTS subheadings 2906.29.50 and 3808.90.10, but receive temporary duty-free treatment for column 1 sources under HTS headings 9902.29.06 and 9902.38.11 (expires December 31, 1990).

House Bill

Continues current duty suspension for dicofol and on mixtures of dicofol and application adjuvant through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

ee. Cholestyramine resin USP (section 461(a)(31) of House bill; section 1201(45) of Senate amendment; section 461(a)(31) of conference agreement)

Present Law

Imports of Cholestyramine resin USP are classifiable under HTS subheading 3914.00.00, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.39.14 (expires December 31, 1990).

House Bill

Continues the current suspension for Cholestyramine resin USP through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

ff. Certain bicycle parts (section 461(a)(32) of House bill; sections 1201(46), (50), (51), (55), and (56) of Senate amendment; section 461(a)(32) of conference agreement)

Present Law

Imports of bicycle parts enter under HTS heading 8714 with column 1 general rate of duty from 4.6 percent ad valorem to 10 percent ad valorem; duties on some parts currently suspended through December 31, 1990 under HTS headings 9902.40.11, 9902.73.12, 9902.73.15, 9902.85.12 and 9902.87.14.

House Bill

Renews current duty suspensions on certain bicycle parts.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

gg. Certain wools (section 461(a)(33) of House bill; section 1201(47) of Senate amendment; section 461(a)(33) of conference agreement)

Present Law

Imports of coarse wool are classifiable under HTS heading 5101, but receive temporary duty-free treatment for column 1 general and column 2 sources under HTS heading 9902.51.01 (expires December 31, 1990).

House Bill

Continues current duty suspension for certain wools until December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

hh. Certain narrow weaving machines (section 461(a)(35) of House bill; section 1201(68) of Senate amendment; section 461(a)(34) of conference agreement)

Present Law

Imports of certain narrow fabric looms enter under HTS subheading 8466.10.00 with a column 1 general rate of duty of 4.9 percent ad valorem; duties on imports of certain narrow weaving machines are suspended through December 31, 1990.

House Bill

Extends current duty suspension on certain narrow weaving machines through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

ii. Certain wool carding and spinning machinery (section 461(a)(36) of House bill; section 1201(69) of Senate amendment; section 461(a)(35) of conference agreement)

Present Law

Imports of certain wool carding and spinning machines enter under HTS subheading 8445.11.00 and 8445.20.00 with column 1 general rates of duty of 4.2 percent ad valorem; duties on imports of certain wool carding and spinning machinery are suspended through December 31, 1990.

House Bill

Extends current duty suspension on certain textile machines through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

jj. Certain knitting machines designed for sweater strip or garment length knitting (section 461(a)(37) of House bill; section 1201(53) of Senate amendment; section 461(a)(36) of conference agreement)

Present Law

Imports of knitting machines for sweater or garment strip knitting enter under HTS subheadings 8447.12.90, 8448.19.00, and 8448.59.10 at column 1 general rates of duty ranging from 4.2 to 4.7 percent ad valorem. Prior to January 1, 1990, these entries received temporary duty-free treatment for column 1 sources under HTS heading 9902.84.48.

House Bill

Reinstates duty-free treatment for certain knitting machines designed for sweater strip or garment length knitting through December 31, 1992.

Senate Amendment

Identical provision, except for differences in article description language and additional retroactive duty-free treatment to January 1, 1990.

Conference Agreement

The House recedes with a technical amendment.

kk. Certain lace braiding machines (section 461(a)(38) of House bill; section 1201(70) of Senate amendment; section 461(a)(37) of conference agreement)

Present Law

Imports of certain lace braiding machines enter under HTS subheading 8447.90.10 with a column 1 general rate of duty of 4.7 percent ad valorem; duties on certain lace-braiding machines are suspended through December 31, 1990.

House Bill

Extends current duty suspension on certain textile machines through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

ll. 6-hydroxy-2-naphthalenesulfonic acid and its sodium, potassium, and ammonium salts (section 1201(4) of Senate amendment; section 461(a)(38) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2908.20.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.10 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

mm. Triphenyl phosphate (section 1201(10) of Senate amendment; section 461(a)(39) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2919.00.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.23 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

nn. a,a,a-trifluoro-o-toluidine (section 1201(12) of Senate amendment; section 461(a)(40) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2921.43.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.28 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

oo. 6-amino-4-hydroxy-2-naphthalenesulfonic acid (gamma acid) (section 1201(16) of Senate amendment; section 461(a)(41) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.21.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.35 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

pp. 3,3'-dimethoxybenzidine (o-dianisidine) and its dihydrochloride (section 1201(17) of Senate amendment; section 461(a)(42) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.22.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.38 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

qq. 2-amino-5-nitrophenol (section 1201(18) of Senate amendment; section 461(a)(43) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.29.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.40 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

rr. 4-methoxyaniline-2-sulfonic acid (section 1201(21) of Senate amendment; section 461(a)(44) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.50.40, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.47 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ss. Benzethonium chloride (section 1201(22) of Senate amendment; section 461(a)(45) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2923.90.00, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.49 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

tt. 2,2-bis(4-cyanatophenyl)propane) (section 1201(25) of Senate amendment; section 461(a)(46) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2929.10.40, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.59 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

uu. Paraldehyde (section 1201(27) of Senate amendment; section 461(a)(47) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2932.90.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.62 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

vv. Aminomethylphenylpyrazole (section 1201(28) of Senate amendment; section 461(a)(48) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2933.19.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.63 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ww. 3-methyl-1-(p-tolyl)-2-pyrazolin-5-one (p-tolyl methyl pyrazolone) (section 1201(31) of Senate amendment; section 461(a)(49) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2933.19.40, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.67 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

xx. 3-methyl-5-pyrazalone (section 1201(32) of Senate amendment; section 461(a)(50) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2933.19.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.69 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

yy. Barbituric acid (section 1201(33) of Senate amendment; section 461(a)(51) of conference agreement)

Present Law

Imports of this acid are classifiable under HTS subheading 2933.51.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.71 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

zz. Nicotine resin complex (section 1201(37) of Senate amendment; section 461(a)(52) of conference agreement)

Present Law

Imports of nicotine resin complex are classifiable under HTS subheading 3004.40.00, but receive temporary duty-free treatment from column 1 sources under heading 9902.30.04 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

aaa. Metaldehyde (section 1201(39) of Senate amendment; section 461(a)(53) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheadings 2912.50.00, 3606.90.60, or 3808.90.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.36.06 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

bbb. Machines designed for heat-set, stretch texturizing of continuous man-made fibers (section 1201(52) of Senate amendment; section 461(a)(54) of conference agreement)

Present Law

Imports of these machines are classifiable under HTS subheading 8444.00.00, but receive temporary duty-free treatment under heading 9902.84.44 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ccc. Knitting needles (section 1201(54) of Senate amendment; section 461(a)(55) of conference agreement)

Present Law

Imports of knitting machine needles are classifiable under HTS subheading 8448.51.10 or 8448.51.30, but receive temporary duty-free treatment under heading 9902.84.51 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ddd. Tetraamino biphenyl (section 1201(57) of Senate amendment; section 461(a)(56) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2921.59.40, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.27 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

eee. Cyclosporine (section 1201(58) of Senate amendment; section 461(a)(57) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheadings 2941.90.10 or 3004.20.00, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.88 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

fff. Synthetic rutile (section 1201(60) of Senate amendment; section 461(a)(58) of conference agreement)

Present Law

Imports of synthetic rutile are classifiable under HTS subheading 2614.00.30, but receive temporary duty-free treatment from column 1 sources under heading 9902.26.14 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ggg. Needle-craft display models, primarily hand stitched, of completed mass-produced kits (section 1201(61) of Senate amendment; section 461(a)(59) of conference agreement)

Present Law

Imports of needle-craft display models are classifiable under HTS headings 5701 or 5805, or under chapter 63, but receive temporary duty-free treatment from column 1 sources through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

hhh. 2,5-dimethoxyzcetanilide (section 1201(62) of Senate amendment; section 461(a)(60) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2924.29.09, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.52 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

iii. 3-(4'-amino-benzamido)phenyl-B-hydroxy-ethylsulfone (section 1201(63) of Senate amendment; section 461(a)(61) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2930.90.20, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.61 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

jjj. 4-chloro-2-nitroaniline (section 1201(64) of Senate amendment; section 461(a)(62) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2921.42.25, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.25 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

kkk. 2-[(3-nitrophenyl)sulfonyl]ethanol (section 1201(65) of Senate amendment; section 461(a)(63) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2906.29.50, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.07 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

lll. 4-chloro-2,5-dimethoxyaniline (section 1201(66) of Senate amendment; section 461(a)(64) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.29.20, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.42 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

mmm. 3,4-diaminophenetole, dihydrogen sulfate (section 1201(67) of Senate amendment; section 461(a)(65) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2922.50.30, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.45 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

nnn. 2,4-dichloro-5-sulfamoylbenzoic acid (section 1201(71) of Senate amendment; section 461(a)(66) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2935.00.45, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.86 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

ooo. Graphite (section 1201(72) of Senate amendment; section 461(a)(67) of conference agreement)

Present Law

Imports of graphite are classifiable under HTS subheading 2504.10.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.25.04 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

ppp. Certain photograghic color couplers and coupler intermediates (section 1202 of Senate amendment; section 461(a)(68) of conference agreement)

Present Law

Imports of these chemicals are classifiable under HTS chapter 29 or heading 3707, but receive temporary duty-free treatment from column 1 sources under headings 9902.29.01 and 9902.37.07 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes.

qqq. Stuffed dolls and doll skins (section 461(a)(39) of House bill; section 461(a)(69) of conference agreement)

Present Law

Imports of inexpensive stuffed dolls and the skins thereof are classifiable under HTS subheadings in Chapter 95, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.95.01.

House Bill

Continues the current duty suspension for stuffed dolls and the skins thereof through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

rrr. Knitwear fabricated in Guam (section 461(b) of House bill; section 1201(48) of Senate amendment; section 461(b) of conference agreement)

Present Law

Imports of knitwear fabricated in Guam enter under HTS heading 6110 with column 1 general rates of duty from 6 percent to 34.2 percent ad valorem; duties currently suspended through October 31, 1992, under HTS heading 9902.61.00.

House Bill

Extends the existing column 1 general rate of duty suspension on certain knitwear fabricated in Guam through October 31, 1996.

Senate Amendment

Identical provision, except for expiration date of December 31, 1992.

Conference Agreement

The Senate recedes.

Extension of, and other modifications to, certain existing suspensions of duty (section 462 of House bill; sections 1203-1208 of Senate amendment; section 462 of conference agreement)

a. Corned beef in airtight containers (section 462(a) of House bill; section 1208 of Senate amendment; section 462(a) of conference agreement)

Present Law

Imports of corned beef in airtight containers enter under HTS subheading 1602.50.10 with a column 1 general rate of duty of 7.5 percent ad valorem. Prior to January 1, 1990, a reduced column 1 general rate of duty of 3 percent ad valorem was applicableto these imports.

House Bill

Suspends the column 1 general rate of duty through December 31, 1992.

Senate Amendment

Identical provision.

Conference Agreement

The House recedes with a technical amendment regarding retroactive provision.

b. Surgical gowns and drapes (section 461(a)(34) of House bill; section 1210 of Senate amendment; section 462(b) of conference agreement)

Present Law

Imports of disposable surgical gowns and drapes are classifiable under HTS subheadings 6210.10.30 and 6307.90.65, but currently enter at a temporarily reduced rate of duty of 5.6 percent ad valorem for column 1 sources under HTS heading 9902.62.10 (expires December 31, 1990).

House Bill

Continues current duty reduction for certain disposable surgical gowns and drapes through December 31, 1992.

Senate Amendment

Substantially the same as House provision, except amends the article description in 9902.62.10.

Conference Agreement

The House recedes.

c. Certain jewelry (section 462(b) of House bill; section 1205 of Senate amendment; section 462(c) of conference agreement)

Present Law

Imports of inexpensive toy-type jewelry are classifiable under HTS Chapter 71, but those valued not over 1.6 cents per piece receive temporary duty-free treatment for

column 1 sources under HTS heading 9902.71.13 (expires December 31, 1990).

House Bill

Continues the current duty suspension for toy-type jewelry through December 31, 1992. Maximum value increased to 5 cents per piece.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

d. Electrostatic copying machines (section 462(c) of House bill; section 1204 of Senate amendment; section 462(d) of conference agreement)

Present Law

Imports of these parts and accessories are classifiable under HTS subheading 9009.90.00, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.90.90 (expires December 31, 1990).

House Bill

Continues current duty suspension for electrostatic copying machine parts and accessories through December 31, 1992. This duty-free treatment is retroactive to January 1, 1989.

Senate Amendment

Substantially the same as House provision, except adds ancillary machines intended for attachment to copying machines.

Conference Agreement

The House recedes with an amendment to add retroactive provision. For the purposes of this suspension, accessories includes, but is not limited to, ancillary parts and accessories, covered under heading 8472.90.80, which are attached to the electrostatic office copiers, and which do not operate independently of the office copier. The amendment to the description of the existing suspension is designed to clarify the originally intended coverage of the suspension, following issues arising as result of the conversion to the Harmonized Tariff Schedule.

e. Certain hosiery knitting machines (section 1203 of Senate amendment; section 462(e) of conference agreement)

Present Law

Imports of hosiery knitting machines are classifiable under HTS heading 8447, but receive temporary duty-free treatment for column 1 sources under heading 9902.84.47 through December 31, 1990. Parts for these machines enter under subheading 8448.59.10 with a column 1 general rate of duty of 4.7 percent ad valorem.

House Bill

No provision.

Senate Amendment

Continues current duty suspension for hosiery knitting machines through December 31, 1992. Suspends the column 1 general rate of duty for parts through December 31, 1992.

Conference Agreement

The House recedes.

f. Jacquard cards (section 1206 of Senate amendment; section 462(f) of conference agreement)

Present Law

Imports of jacquard cards are classifiable under HTS headings 4823 and 8448, but receive temporary duty-free treatment for column 1 sources under heading 9902.48.23 through December 31, 1990. Cards suitable for use as, or in making, jacquard cards enter under HTS subheadings 3926.90.90 and 4823.30.00 at column 1 general rates of duty of 5.3 and 3.9 percent ad valorem, respectively.

House Bill

No provision.

Senate Amendment

Continues current duty suspension for jacquard cards through December 31, 1992. Suspends the column 1 general rate of duty for cards suitable for use as, or in making, jacquard cards through December 31, 1992.

Conference Agreement

The House recedes.

g. Kitchenware of glass-ceramics (section 1201(49) of Senate amendment; section 462(g) of conference agreement)

Present Law

Imports of certain glass ceramic kitchenware are classifiable under HTS subheading 7013.10.10, but receive temporary duty-free treatment from column 1 sources under heading 9902.70.13 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

This provision extends until December 31, 1992, the existing duty suspension on certain transparent, non-glazed, glass ceramic kitchenware provided for in subheading 7013.10.10 and currentlly receiving temporary duty-free treatment under heading 9902.70.13 until December 31, 1990. In addition, certain revisions and amendments were made to the product definition under the existing duty suspension to narrow the scope of product coverage. As amended, this provision would cover only those products meeting the existing product description which, in addition, also appear black in color and if with handles, the handles extend outward from the rim of the article no further than 2 inches (5.1 cm). These articles, although appearing black in color are readily transparent when subjected to an artificial illumination source (i.e., non-distorting, not opaque or translucent). Therefore, most of the products covered by subheading 7013.10.10 will no longer fall under the suspension provision. This change is to assure that the provision, will not have an adverse impact on domestic manufacturers of products competing with the imported product covered by this provision.

h. Umbrella frames and parts (section 1201(59) of Senate amendment; section 462(h) of conference agreement)

Present Law

Imports of these frames are classifiable under HTS subheading 6603.20.30, but receive temporary duty-free treatment from column 1 sources under heading 9902.66.03 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes with an amendment to add duty suspension until December 31, 1992, for umbrella handles and knobs (HTS subheading 6603.10.00) and for umbrella tips and caps (HTS subheading 6603.90.00).

i. Terfenadone (section 1201(34) of Senate amendment; section 462(i) of conference agreement)

Present Law

Imports of this chemical are classifiable under HTS subheading 2933.90.37, but receive temporary duty-free treatment from column 1 sources under heading 9902.29.74 through December 31, 1990.

House Bill

No provision.

Senate Amendment

Extends the existing column 1 general rate of duty suspension through December 31, 1992.

Conference Agreement

The House recedes with a technical amendment.

j. Certain toy figures (section 462(d) of House bill; section 462(j) of conference agreement)

Present Law

Imports of certain inexpensive toy figures are classifiable under HTS Chapter 95, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.95.02. (Expires December 31, 1990.)

House Bill

Continues current duty suspension for certain toy figures through December 31, 1992.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Termination of existing suspension of duty on C-Amines (section 463 of House bill; section 1207 of Senate amendment; section 463 of conference agreement)

Present Law

Imports of these chemicals are classifiable under HTS subheadings 2921.43.50 and 2971.49.50, but receive temporary duty-free treatment for column 1 sources under HTS heading 9902.29.29 (expires December 31, 1990).

House Bill

Eliminates the current duty suspensions for C-amines which have column 1 duties of 2.4 cents per kilogram plus 18.8 percent ad valorem.

Senate Amendment

Identical provision, except for additional retroactive treatment to January 1, 1990.

Conference Agreement

The Senate recedes.

SUBTITLE B—OTHER TARIFF AND MISCELLANEOUS PROVISIONS

PART 1—TARIFF CLASSIFICATION AND OTHER TECHNICAL AMENDMENTS

Certain edible molasses (section 471 of House bill; section 1104 of Senate amendment; section 471 of conference agreement)

Present Law

Imports of certain edible molasses enter under HTS subheading 1702.90.40 with a column 1 general rate of duty of 0.77 cents

per liter; the subheading's products are currently subject to quota.

House Bill

Restores the previous exemption from quotas for edible molasses containing more than 6 percent nonsugar solids.

Senate Amendment

Identical provision, except for technical differences in HTS references.

Conference Agreement

The Senate recedes.

Certain woven fabrics and gauze (section 472 of House bill; section 472 of conference agreement)

Present Law

Classifies tapestry and upholstery fabrics of wool or fine animal hair in HTS headings 5111 and 5112 and of gauze construction in 5803 at various rates.

House Bill

Creates a new provision covering upholstery-weight fabrics of a weight not exceeding 140 grams per square meter at a 7 percent ad valorem duty rate. Retroactive to January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with technical amendments.

Classification of certain articles in whole or part of fabrics coated, covered or laminated with opaque rubber or plastics (section 473 of House bill; section 473 of conference agreement)

Present Law

Classifies goods of HTS heading 4202 (luggage and handbags) consisting of an outer surface of plastic-coated fabric as if wholly of textile fabric.

House Bill

Adds an additional U.S. note to Chapter 42 to permanently classify goods of HTS heading 4202 of an outer exposed surface of opaque rubber or plastic as if wholly of plastic.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with a technical amendment.

Gloves, mittens, and mitts (section 474 of House bill; section 1101 of Senate amendment; section 474 of conference agreement)

Present Law

Imports of nonleather sporting gloves, mittens, and mitts enter under HTS headings 6116 and 6216 with column 1 general rates of duty ranging from 3.7 percent to 25 percent ad valorem.

House Bill

Amends the HTS article descriptions to include miscellaneous gloves principally designed for sports use under HTS headings 6116 and 6216, along with ski and snowmobile gloves, mittens, and mitts at column 1 general rates of duty of 5.5 percent ad valorem. Retroactive to January 1, 1989.

Senate Amendment

Substantially the same as House provision, except adds new permanent HTS subheadings for ice and field hockey gloves with duty-free column 1 general rates. No retroactive provision.

Conference Agreement

The House recedes with an amendment to add retroactive provision and make technical changes.

Chipper knife steel (section 475 of House bill; section 1102 of Senate amendment; section 475 of conference agreement)

Present Law

Imports of certain chipper knife steel products enter under HTS subheadings 7226.91.10 and 7226.91.30 with column 1 general rates of duty of 9.6 percent ad valorem and 11.6 percent ad valorem, respectively.

House Bill

Amends the HTS by establishing a new subheading for chipper knife steel (7226.91.05) and provides a free general rate of duty and 34 percent ad valorem column 2 rate of duty for this item. Retroactive to January 1, 1989.

Senate Amendment

Identical provision, except for inclusion of staged rate reduction.

Conference Agreement

The Senate recedes with a technical amendment.

Elimination of inverted tariff on cantilever brakes and brake parts for bicycles (section 476 of House bill; section 476 of conference agreement)

Present Law

Imports of bicycle parts enter under HTS heading 8714 with column 1 general rate of duty from 4.6 percent ad valorem to 10 percent ad valorem; duties on some parts currently suspended through December 31, 1990.

House Bill

Renews current duty suspensions on certain bicycle parts, and grants suspensions on other parts, all through December 31, 1992. Also amends two subheadings in Chapter 87 to eliminate the inverted tariff on cantilever brakes and brake parts.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes with a technical amendment.

Bicycles having 26-inch wheels (section 477 of House bill; section 1103 of Senate amendment; section 477 of conference agreement)

Present Law

Imports of 26-inch bicycles enter under HTS subheadings 8712.00.10 and 8712.00.20 with a column 1 general rates of duty of 11 percent ad valorem.

House Bill

Permanently amends the HTS to correct the classification of 26-inch bicycles. Retroactive to January 1, 1989.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Processing of certain blended syrups (section 478 of House bill; section 478 of conference agreement)

Present Law

Certain, but not all, sugar-containing products are subject to import quota limitations as a result of action taken by the President under Section 22 of the Agricultural Adjustment Act of 1933, as amended.

Since 1984, certain companies have been permitted by the Commerce Department's Foreign Trade Zones Board to operate sugar processing facilities in a Foreign Trade Zone (FTZ), subject to very specific limitations concerning the amount of sugar which may be brought into the FTZ for processing into sugar blends destined for consumption in the United States. Provided that these companies' FTZ operations stay within the parameters of the Foreign Trade Zones Board's approvals, importation of these sugar-containing products had not, until January 1, 1989, been subject to import quota.

Effective January 1, 1989, however, the Harmonized Tariff Schedule established a zero import quota restriction for certain blended syrups not previously subject to import quota restrictions.

House Bill

Section 478 of the House bill provides a limited exemption from the zero quota established under the HTS for certain blended syrups, if the blended syrup is entered into U.S. customs territory from a foreign trade zone that was previously authorized by the Foreign Trade Zone Board, and only to the extent that the quantity entered does not exceed the equivalent quantity authorized by the FTZ to be processed in 1985.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes, with clarifying amendments. The provision, as amended, exempts from otherwise applicable import quotas, imports of certain blended syrups, if such blended syrups are entered, or withdrawn from warehouse, for consumption from a foreign trade zone by a foreign trade zone user whose facilities were in operation on June 1, 1990. The exemption is further limited to the extent that the annual quantity of blended syrup entered into the customs territory from such zone does not contain an amount of sugar of nondomestic origin greater than that authorized by the Foreign Trade Zones Board for processing in such zone during calendar year 1985.

The conferees intend for this provision to authorize the entry into U.S. customs territory of blended syrups of heading 9904.50.20, notwithstanding any other quantitative restriction, when three conditions exist:

(1) the blended syrups are entered into U.S. customs territory from a foreign trade zone (or subzone) by a foreign trade zone user that was authorized by the Foreign Trade Zones Board in 1985 to establish sugar blending operations in a foreign trade zone (or subzone) using sugar of nondomestic origin;

(2) as of June 1, 1990, the foreign trade zone user had not gone out of business, or shut down its processing facilities in the foreign trade zone (or subzone); and

(3) the annual quantity of imports of blended syrups entered into U.S. customs territory from the zone (or subzone) by such foreign trade zone user does not contain, in the aggregate, an amount of sugar of nondomestic origin that is larger than the amount of sugar of nondomestic origin that was authorized by the Foreign Trade Zones Board in 1985 for processing in its foreign trade zone (or subzone).

This section shall apply to all articles (blended syrups) entered, or withdrawn from warehouse, for consumption after December 31, 1988.

Articles exported and returned (section 1106 of Senate amendment; section 479A of conference agreement)

Present Law

Metal articles exported for processing, then returned to the U.S. for additional processing are subject only to duty on the value of foreign processing under HTS subheading 9802.00.60.

House Bill

No provision.

Senate Amendment

Adds additional U.S. Note to HTS chapter 98 which provides that such entries will not be exempted from antidumping and countervailing duties, as well as section 201 and section 301 of the Trade Act of 1974.

Conference Agreement

The House recedes.

Brooms (section 1107 of Senate amendment; section 479B of conference agreement)

Present Law

Certain brooms and whiskbrooms made partially of broom corn enter under HTS subheading 9603.10.70 with a column 1 general rate of duty of 10 percent ad valorem. Brooms and whiskbrooms wholly of broomcorn are subject to a tariff-rate quota.

House Bill

No provision.

Senate Amendment

Restores tariff-rate quota that existed under the TSUS for brooms and whiskbrooms "wholly or in part" of broomcorn. Takes effect 15 days after enactment.

Conference Agreement

The House recedes.

Foliage-type artificial flowers (section 1108 of Senate amendment; section 479C of conference agreement)

Present Law

Imports of certain foliage-type artificial flowers enter under HTS subheading 6702.90.60 with a column 1 general rate of duty 17 percent ad valorem.

House Bill

No provision.

Senate Amendment

Amends HTS subheading 6702.90.40 to include these items, with a column 1 general rate of duty of 9 percent ad valorem. Retroactive to January 1, 1989.

Conference Agreement

The House recedes.

Tobacco processed in Caribbean Basin Country (section 1105 of Senate amendment)

Present Law

Tobacco grown in the U.S., processed in a Caribbean Basin country, and returned to the U.S. enters under HTS chapter 24 at various rates of duty.

House Bill

No provision.

Senate Amendment

Adds additional U.S. Note to HTS chapter 24 to provide duty-free treatment to imports of U.S. grown tobacco under heading 2401, which are processed in a Caribbean Basin country.

Conference Agreement

The Senate recedes. It is the understanding of the conferees that this provision is unnecessary because section 222 of the conference agreement would apply to U.S. tobacco processed in a CBI country.

Outer garments treated as water resistant (section 1109 of Senate amendment)

Present Law

Garments classified as water resistant by virtue of an outer shell, lining, or inner lining enter under HTS chapter 62 at various rates of duty.

House Bill

No provision.

Senate Amendment

Amends additional U.S. note 2 to HTS chapter 62 to delete lining and inner lining as a basis for water resistant classification.

Conference Agreement

The Senate recedes.

PART 2—MISCELLANEOUS PROVISIONS

Renewal of existing customs exemption applicable to bicycle parts in foreign trade zones (section 481 of House bill; section 1704 of Senate amendment; section 481 of conference agreement)

Present Law

Imports of bicycles and their parts and accessories enter under HTS headings 8712 and 8714; they cannot take advantage of foreign trade zone duty reductions until 1991.

House Bill

Amends the Foreign Trade Zones Act to renew until December 31, 1992, the existing prohibition on FTZ duty reductions applicable to bicycle parts not reexported outside the United States.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Rail cars for the State of Florida (section 482 of House bill; section 1702 of Senate amendment; section 482 of conference agreement)

Present Law

Imports of bi-level railcars were classified under TSUS item 690.15, with a column 1 general rate of 18 percent ad valorem and a column 2 rate of 45 percent ad valorem.

House Bill

Provides duty-free treatment for bi-level rail cars designed for and used by the Department of Transportation for the State of Florida. Treatment would apply to railcars entered after March 14, 1988, and before January 1, 1989, either under column 1 or column 2 TSUS rates. Provides for reliquidation if liquidation has become final.

Senate Amendment

Identical provision.

Conference Agreement

The conferees agree to both the House and Senate provisions.

Reliquidation of certain entries (section 483 of House bill; sections 1601(b), 1705, 1712 of Senate amendment; section 483 of conference agreement)

a. Certain antidumping duties (section 483(a) of House bill; section 1712 of Senate amendment; section 483(a) of conference agreement)

Present Law

Imports of large power transformers entered between 1974 and 1980 were subject to antidumping duties of $792,000. The customs broker, rather than the importer, was listed as the "importer of record" and is therefore liable for the payment of these duties.

House Bill

Relieves the customs broker of liability for these antidumping duties. Requires filing of requests with the U.S. Customs Service for the 14 entries specified by the provision.

Senate Amendment

Identical provision, except for requirement to file requests with U.S. Customs Service.

Conference Agreement

The Senate recedes.

b. Digital processing units (section 483(b) of House bill; section 1705 of Senate amendment; section 483(b) of conference agreement)

Present Law

Imports of these digital processing units entered under TSUS items 676.15, 676.54, 945.83, or 945.84 during 1986-1987 with column 1 general rates of duty ranging from free to 100 percent ad valorem.

House Bill

Provides for reliquidation of duties paid for certain imports of digital processing units prior to July 2, 1987.

Senate Amendment

Similar provision, but more narrow in scope.

Conference Agreement

The House recedes.

c. Certain other entries (section 483(c) of House bill; section 483(c) of conference agreement)

(i) 1-(3-sulfopropyl)pyridinium hydroxide (section 483(c)(1) of House bill; section 483(c)(1) of conference agreement)

Present Law

Imports of 1-(3-Sulfopropyl)pyridinum hydroxide are subject to duty-free treatment from October 1, 1988, through December 31, 1990.

House Bill

Grants retroactive duty-free treatment to products imported under TSUS item 406.39 for the October 1, 1988, to December 31, 1988, period.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

(ii) Brussels sprouts (section 483(c)(2) of House bill; section 483(c)(2) of conference agreement)

Present Law

Imports of fresh, chilled or frozen brussels sprouts currently enter under HTS subheading 0704.20.00 with a column 1 general rate of duty of 25 percent ad valorem.

House Bill

Grants retroactive duty-reduced treatment to products imported under TSUS item 903.29 for the period January 1, 1987 to November 10, 1988 at a 12.5 percent ad valorem rate of duty.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Protest relating to certain entries (section 484 of House bill; section 484 of conference agreement)

Present Law

Section 514 of the Tariff Act of 1930 does not allow a protest to be filed if more than

90 days have elapsed since liquidation of the entries.

House Bill

Enables the filing of a protest relating to certain customs entries despite section 514.

Senate Amendment

No provision.

Conference Agreement

The Senate recedes.

Substitution of crude petroleum or petroleum derivatives (section 1713 of Senate amendment; section 484A of conference agreement)

Present Law

Current Customs practice requires recordkeeping on a daily basis for petroleum to be eligible for drawback.

House Bill

No provision.

Senate Amendment

Establishes monthly accounting procedures for drawback payments on articles stored in common storage with other articles of the same kind and quality. Retroactive to apply to all entries liquidated under protest or in litigation in accordance with C.S.D. 88-1.

Conference Agreement

The House recedes, with an amendment to clarify that (1) the crude petroleum or petroleum derivatives subject to this provision are limited to those described in Harmonized Tariff Schedule (HTS) headings 2707 through 2715, 2901 and 2902, or 3901 through 3914 (with those in headings 3901 through 3914 limited to liquids, pastes, powders, granules, and flakes); (2) the articles eligible for duty drawback are stored in a single facility with other articles that are commercially interchangeable or covered by the same HTS headings; (3) the monthly inventory records of the storage facility are adequate to ensure that any drawbacks paid are not excessive; (4) the inventory records are available, on reasonable notice, to the Customs Service; and (5) the claims for drawbacks are those filed or liquidated beginning January 1, 1988, and claims that remain unliquidated, under protest, or in litigation as of the date the provision is enacted.

It is the intent of the conferees that, for storage units to be considered part of a single facility, they must be near or close to one another, but they do not need to be contiguous or share a common border. The conferees intend for storage units that are separated as a result of property boundaries, ship channels, streams, canals, rail lines, roads, or similar geographical barriers to be considered part of a single facility where they are under the physical and legal control of a single person or entity and are treated by such person or entity as a single unit for inventory recordkeeping purposes. For example, where there are two sets of 10 storage tanks located at opposite geographical extremes of a terminal area, and the 20 tanks are controlled by the same entity and are treated as a functional unit for inventory recordkeeping purposes, they should be considered part of a single facility, although they may be connected only by one or more flow lines.

The conferees do not intend to require that the certificates of delivery or the certificates of manufacture and delivery that, when required, are to be filed with the drawback entry, be prepared contemporaneously with the underlying transaction. Rather, they may be prepared at any time between the delivery of the product and the filing of a claim.

The conferees intend that, if the inventory records show, at the end of any calendar month, that there is a net amount of a petroleum product available to a claimant in common storage that was not exported or used on a deemed exportation, that amount of petroleum product may be carried over and claimed in a subsequent month to the extent that the records of the claimant, the exporter (if a person other than the claimant), and the common storage facility operator show that petroleum product of the same kind and quality was exported or used on a deemed exportation in that subsequent month, even if that petroleum product is not physically available as shown by the records of the common storage facility operator. It is the understanding of the conferees that, consistent with existing law, the Secretary of the Treasury is authorized to make appropriate changes, by regulation or instruction, to the certificates of delivery or the certificates of manufacture and delivery.

The conferees intend that, to the extent that a claim may be made under this provision with respect to an article classified under the old Tariff Schedules of the United States (TSUS), in effect prior to the transition on January 1, 1989, to the HTS, the Customs Service shall determine whether the article is classifiable under one of the HTS headings listed in this provision.

Agglomerate marble floor tiles (section 1714 of Senate amendment; section 484B of conference agreement)

Present Law

Imports of this item enter under HTS subheading 6810.19.10 with the following ad valorem rates of duty: 21 percent under column 1; 12.6 percent under the U.S.-Canada FTA; and 55 percent under column 2.

House Bill

No provision.

Senate Amendment

Creates new HTS subheading 6810.19.12 for this item with the following ad valorem rates of duty: 4.9 percent under column 1; 4.7 percent under the U.S.-Canada FTA; and 40 percent under column 2. Retroactive to January 1, 1989.

Conference Agreement

The House recedes with a technical amendment.

Parts of ionization smoke detectors (section 1718 of Senate amendment; section 484C of conference agreement)

Present Law

Imports of this item enter under HTS subheading 9022.90.80 with a column 1 general rate of duty of 4 percent and a U.S.-Canada FTA rate of 3.2 percent ad valorem.

House Bill

No provision.

Senate Amendment

Creates a new subheading for this item with a column 1 general rate of duty of 2.7 percent and a U.S.-Canada FTA rate of 2.1 percent ad valorem. Retroactive to January 1, 1989.

Conference Agreement

The House recedes with an amendment to add staging provision.

Nuclear magnetic spectrometer (section 1706 of Senate amendment; section 484D of conference agreement)

Present Law

Imports of this item enter under HTS subheading 9018.19.80 with a column 1 general rate of duty of 4.2 percent ad valorem.

House Bill

No provision.

Senate Amendment

Provides for duty-free entry of this item for use by the University of Alabama at Birmingham.

Conference Agreement

The House recedes.

Foreign repair of vessels (section 1707 of Senate amendment; section 484E of conference agreement)

Present Law

Under the vessel repair statute (19 U.S.C. 1466), non-emergency foreign repairs of lighter aboard ship (LASH) barges, or foreign purchase of vessel repair parts are subject to a rate of duty of 50 percent ad valorem.

House Bill

No provision.

Senate Amendment

Eliminates duty on foreign repairs of LASH barges and provides for HTS import duties on foreign purchase of vessel repair parts through December 31, 1992.

Conference Agreement

The House recedes.

Certain distilled spirits in foreign trade zones (section 1711 of Senate amendment; section 484F of conference agreement)

Present Law

The Foreign Trade Zone Act restricts the use of denatured distilled spirits in FTZ operations, and their eligibility for drawback under IRS laws.

House Bill

No provision.

Senate Amendment

Amends the Foreign Trade Zone Act to enable denatured distilled spirits to be processed under FTZ rules, and to be eligible for drawback under IRS laws.

Conference Agreement

The House recedes.

Ethyl tertiary-butyl ether (section 1715 of Senate amendment; section 484G of conference agreement)

Present Law

Imports of ETBE enter under HTS subheading 2909.19.10 with column 1 and 2 rates of duty of 5.6 percent and 37 percent ad valorem, respectively.

House Bill

No provision.

Senate Amendment

Increases the column 1 and 2 rates of duty to 6.66 cents per liter through December 31, 1992 or the date on which Treasury regulation 1.40-1 is withdrawn or declared invalid.

Conference Agreement

The House recedes.

Canadian lottery materials (section 1716 of Senate amendment; section 484H of conference agreement)

Present Law

Transshipment of lottery materials through the U.S. for use outside the U.S. is

prohibited by section 553 of the Tariff Act of 1930.

House Bill

No provision.

Senate Amendment

Provides for the transshipment of Canadian lottery materials in bond through the United States. Takes effect 15 days after enactment.

Conference Agreement

The House recedes.

Certain forgings (section 1701 of Senate amendment; section 484I of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Provides for reliquidation of several customs entries and the refund of additional marking duties.

Conference Agreement

The House recedes.

Certain extracorporeal shock wave lithotripter (section 1703 of Senate amendment; section 484J of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Provides for reliquidation of an entry made on this item and the refund of duties paid.

Conference Agreement

The House recedes.

Certain methanol entries (section 1708 of Senate amendment; section 484K of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Provides for reliquidation and refund of duties paid on two entries of methanol.

Conference Agreement

The House recedes.

Certain frozen vegetables (section 1709 of Senate amendment; section 484L of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Provides for reliquidation and refund of duties paid on entries of certain frozen vegetables between January 1 and April 30, 1990 from MFN countries.

Conference Agreement

The House recedes with a technical amendment.

Certain films and recordings (section 1710 of Senate amendment; section 484M of conference agreement)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Provides for the reliquidation of entries of certain films and recordings occurring between August 12, 1985, and December 31, 1986, at the TSUS rate of duty existing on August 11, 1985.

Conference Agreement

The House recedes.

Effective dates (section 485 of House bill; section 1601 of Senate amendment; section 485 of conference agreement)

Present Law

No provision.

House Bill

Unless otherwise provided, the tariff provisions covered by Subtitle F become effective on the fifteenth day after the later of October 1, 1989, or the date of enactment of this Act. Retroactive application applies to certain entries which were made after the applicable date and before the effective date and in those instances where there would have been no duty or lesser duty if the amendment made by such section applied to such entry.

Senate Amendment

Unless otherwise provided, the effective date is October 1, 1990. Retroactive treatment is established for certain entries, which partially coincides with the House provision.

Conference Agreement

The House recedes with an amendment to reflect conference agreement on other provisions.

TITLE IV—EXPORTS OF UNPROCESSED TIMBER

(All references to the Senate Bill are H.R. 1594 as amended. All references to the House Amendment are Title II of H.R. 4653, as reported by the House Foreign Affairs Committee on May 10, 1990.)

Short Title (section 201 of House amendment; 6001 of Senate bill; section 401 of conference agreement)

Present Law

No provision.

House Amendment

"Domestic Timber Processing Allocation Act of 1990."

Senate Bill

"Federal Timber Export Restriction Act of 1990".

Conference Agreement

Provides a short title of "Forest Resources Conservation and Shortage Relief Act of 1990".

Findings and Purposes (section 6002 of Senate bill; section 488 of conference agreement)

Present Law

No provision.

House Amendment

No provision.

Senate Bill

Contains numerous purposes aimed at promoting the conservation and relieving the shortage of forest resources.

Conference Agreement

Contains findings that establish the critical nature of timber resources to the well-being of the United States, and that it is appropriate for the federal government to take measures to conserve these resources.

Asserts the purpose of this title is to take appropriate action to conserve public timber resources that is consistent with the United States international obligations.

Restrictions on Exports of Unprocessed Timber Originating From Federal Lands (section 202 of House amendment; section 6101 of Senate Bill; section 489 of conference agreement)

Present Law

The Federal Government prohibits the export of logs from federal lands west of the 100th meridian in the contiguous 48 states. Since 1973, this prohibition has been enacted annually as a rider to the annual Interior appropriations bill.

House Amendment

Section 202 contains a prohibition on the export from the United States of unprocessed timber from federal lands west of the 100th meridian. The prohibition does not apply to specific quantities and species of unprocessed timber from federal lands that the Secretary of Interior or Secretary of Agriculture determine to be in surplus. Any such determination may be withdrawn if the affected timber is no longer in surplus to the needs of timber manufacturing facilities in the United States.

Senate Bill

Section 6101 makes permanent the ban on the export of logs from federal lands west of the 100th meridian in the contiguous 48 states. The provision prohibits any person who acquires, either directly or indirectly, unprocessed timber originating from federal lands, from exporting, selling, trading, exchanging or otherwise conveying such timber for export. Section 6104 excludes from the prohibition specific quantities of grades and species of unprocessed timber from federal lands which the Secretary of Agriculture or the Secretary of the Interior determines to be surplus to domestic manufacturing needs.

Conference Agreement

The conferees agree to merge the House amendment and Senate bill. Section 489 makes permanent the ban on the export of logs from federal lands west of the 100th meridian in the contiguous 48 states. The provision prohibits any person who acquires unprocessed timber originating from federal lands west of the 100th meridian in the contiguous 48 states from exporting, selling, trading, exchanging or otherwise conveying such timber to any other person for the purpose of exporting such timber from the United States. The prohibition does not apply to specific quantities and species of unprocessed timber from federal lands that the Secretary of Agriculture or Secretary of Interior determines to be in surplus to domestic processing needs. Congress expects the Secretaries to hold hearings to determine whether species currently designated as surplus have no domestic markets. The Secretaries should not declare species or grades to be surplus unless no domestic markets for such species or grades exist.

Limitations on the Substitution of Unprocessed Federal Timber for Unprocessed Timber Exported From Private Lands. (section 203 of House amendment; section 6103 of Senate bill; section 490 of conference agreement)

Present Law

Direct Substitution—Current regulations prohibit direct substitution. Forest Service regulations (36 CFR 223.10) define direct substitution as the purchase of unprocessed national forest timber to be used as replacement for unprocessed timber from private

lands which is exported by the purchaser. However, companies with historic direct substitution quotas are grandfathered.

Indirect Substitution—Current regulations allow indirect substitution. Indirect substitution occurs when log exporting companies that are restricted from purchasing federal timber (because they would be engaging in direct substitution) buy federal timber from a third party.

House Amendment

Section 203(a) contains a prohibition on directly substituting unprocessed timber from federal lands for unprocessed timber from private lands which is exported. The subsection provides that contracts for the purchase of federal timber in effect at the time of enactment of this Act shall be honored. The subsection also provides that a Washington State firm which has a long-term agreement with the U.S. Forest Service allowing for direct substitution shall have its direct substitution rights phased out by 1995.

Section 203(b) establishes restrictions on indirect substitution of unprocessed timber from federal lands for exported unprocessed timber from private lands, and provides for an exception to these restrictions for the purpose of efficient market operation. The subsection also establishes the rules for selling, trading and exchanging certain rights. Proportionate shares shall be applied only if aggregate demand for indirect substitution volume exceeds 50 million board feet. In the case of a sale of a company or mill holding rights obtained under paragraph (2), those rights shall convey with the company or mill being sold, except that the 15 million board foot limit shall still apply to the acquiring party.

Section 203(b)(1) provides an exemption from the prohibition on indirect substitution in order to permit a small number of companies in Oregon and Washington State to continue to make indirect purchases of western red cedar from federal lands while exporting private logs.

Section 203(c)(1) provides that the prohibitions in subsections (a) and (b) shall not apply to the acquisition of unprocessed timber from federal lands within a sourcing area boundary west of the 100th meridian approved by the Secretary of the Interior or Agriculture by a person who, in the previous two years, has not exported unprocessed timber originating from private lands within the sourcing area boundaries.

Section 203(c)(3) establishes time and other restrictions on the consideration of applications made under subsection (c)(2). The subsection provides two factors which the Secretary is to consider in determining whether to approve or disapprove such applications.

Section 203(c)(4) establishes rules governing the activities of persons whose applications under subsection (c)(2) were denied. In the 18-month period after an application has been denied, the applicant may continue to purchase certain amounts of federal timber. If the denied applicant certifies to the Secretary within 90 days of receiving the disapproval that such person shall, within 18 months after disapproval, cease the export of timber from the geographic area defined by the Secretary, such person may continue to purchase federal timber without being subject to the restrictions of this paragraph.

Section 203(c)(5) provides for a review of applications under subsection (c)(2) every five years.

Senate Bill

Section 6101 prohibits direct substitution. The provision prohibits any person from purchasing unprocessed timber from federal lands and using it in substitution for exported unprocessed timber originating from private lands. The prohibition would apply to timber removed pursuant to timber sales contracts entered into on or after the date of enactment.

The section also prohibits indirect substitution. The provision prohibits any person from acquiring indirectly unprocessed timber from federal lands and using that timber in substitution for unprocessed private land timber that has been or will be exported from the United States. The prohibition on indirect substitution would take effect one year after the date of enactment.

Conference Agreement

The conferees agree to merge the House amendment and Senate bill. Section 490(a) prohibits direct substitution. The provision prohibits any person from purchasing directly from any department or agency of the United States unprocessed timber if:

(1) such timber is to be used in substitution for exported timber originating from private lands; or

(2) such person has during the preceding 24-month period exported unprocessed timber originating from private lands.

The subsection provides that contracts in effect before the date on which regulations to carry out this section are issued shall be governed by the substitution regulations in effect prior to enactment of this Title. The subsection also provides that a Washington State firm which has a long-term agreement with the U.S. Forest Service allowing for direct substitution shall have its direct substitution rights phased out by 1995.

The subsection provides that the 24-month test will not apply to any person who has legally substituted federal timber for exported unprocessed timber originating from private lands under an historic export quota approved by the Secretary of Agriculture or the Secretary of the Interior, and who certifies within three months after enactment of this act that the person will cease, and does cease exporting unprocessed timber originating from private lands within six months after the date of enactment of this Act.

Section 490(b)(1) prohibits, within 21 days of enactment of the Act, indirect substitution of unprocessed timber from federal lands for exported unprocessed timber from private lands. The subsection provides an exemption from the prohibition on indirect substitution in order to permit a small number of companies in Oregon and Washington State to continue to make indirect purchases of western red cedar from federal lands while exporting private logs. The intent of the exemption is to address the unique circumstances of certain companies which both manufacture finished products from western red cedar and export unprocessed logs.

Section 490(b)(2) provides for an exception to the restrictions on indirect substitution for federal lands administered by the United States Forest Service Region 6 that are located north of the Columbia River from its mouth and east to its first intersection with the 119th meridian, and from that point north of the 46th parallel and east (i.e. within the State of Washington). The subsection also establishes the rules for selling, trading and exchanging certain rights. Proportionate shares shall be applied only if aggregate demand for indirect substitution volume exceeds 50 million board feet. In the case of a sale of a company or mill holding rights obtained under this section, those rights shall convey with the company or mill being sold, except that the 15 million board foot limit shall still apply to the acquiring party. The subsection provides that contracts in effect before the date on which regulations to carry out this section are issued shall be honored and governed by the substitution regulations in effect prior to enactment of this Title.

Section 490(c)(1) provides that the prohibitions in subsections 490(a) and 490(b) shall not apply to the acquisition of unprocessed timber from federal lands within a sourcing area boundary west of the 100th meridian in the contiguous 48 states approved by the Secretary of the Interior or Agriculture by a person who, in the previous 24 months, has not exported unprocessed timber originating from private lands within the sourcing area boundaries and during the period such approval is in effect, does not export unprocessed timber originating from private lands within the sourcing area boundaries. The appropriate Secretary may waive the 24-month requirement for any person who, within 3 months after the date of enactment of this Act, certifies within 6 months after date of enactment of this Act that the person will cease exporting unprocessed timber originating from private lands within the sourcing area boundaries for no less than 3 years.

The section establishes a mechanism for exporting companies to apply for a specific exemption from the ban on direct and indirect substitution if the area from which the company purchases federal timber is economically and geographically separate from the area from which it exports, or sells for export unprocessed timber from private lands. The general reason for limiting substitution is to restrict companies from purchasing federal timber for their mills and then exporting private timber from the same general area. The exemption recognizes that some companies export private timber from geographic and economic areas separate from the source of logs for their federally-sourced mills. In these instances, companies may apply for a specific exemption for individual mills in order to bid on federal timber for those mills.

Section 490(c)(2) establishes time and other restrictions on the consideration of applications made under subsection 490(c)(1). Within 3 months following enactment of this bill, the Secretaries of Agriculture and Interior shall prescribe a procedure to be used for the sourcing area application. It is not expected that prescription of this procedure will require normal rulemaking procedures. The prohibition on direct substitution shall not apply to a person until 1 month after the Secretary prescribes the sourcing area boundary procedure. In other words, the applicant has one month to file a sourcing area petition, once the Secretary has prescribed a procedure. If a person applies within that 1 month time period, the prohibition on direct substitution shall not apply until the sourcing area petition is approved or disapproved by the appropriate Secretary.

Section 490(c)(3) requires the Secretary of Agriculture or Secretary of Interior, as may be appropriate, on the record and after an opportunity for a hearing to either approve or disapprove the sourcing area application within 4 months after receipt of the application. The section provides a test for the Secretary involved to weigh approval of the ex-

emption. This test shall be applied on a case by case basis and the outcome may vary among regions. The test evaluates whether the area from which exported private logs originate is geographically and economically separate from the sourcing area of the mill for which the exemption is sought. The Secretary shall, when considering whether to grant an exemption, consider the purchasing and bidding patterns of both the applicant and his competitors in the same local vicinity. To conduct the test, the Secretary concerned shall look at the geographic area from which the company currently and historically sources its mill. The Secretary shall examine the sourcing patterns of the mills in and around the same population center, considered by the Conferees to be within a general radius of 25 to 30 miles.

Section 490(c)(4) establishes rules governing the activities of persons whose sourcing area boundary application was denied. In the event of denial of an application, this section provides an opportunity to phase out federal timber purchases over 15 months and maintain such export operations; or terminate export of private logs from the area within 15 months and maintain eligibility for federal timber purchases.

For those denied applicants desiring to phase out federal timber purchases and maintain export operations, the section limits the applicants federal timber purchases in the first 9 months after receiving disapproval to 75 percent of the annual average of the applicants purchases of federal timber in the same area during the 5 full fiscal years immediately prior to submission of the application. In the subsequent 6-month period the applicant is limited to 25 percent of such annual average.

For those denied applicants desiring to terminate export of private logs, if the denied applicant certifies to the Secretary within 90 days of receiving the disapproval that such person shall, within 15 month of disapproval, cease the export of timber from the geographic area defined by the Secretary, such person may continue to purchase federal timber. However purchases are limited to 125 percent of the annual average of the applicants federal timber purchases in the same area during the 5 full fiscal years immediately prior to submission of the application. Additionally, during the 15-month period, the applicants exports are limited to 125 percent of the applicant's private timber exports during the 5 full years immediately prior to submission of the application.

The section provides for a review of sourcing areas approved under section 490(c)(3) every five years.

Restriction on Exports of Unprocessed Timber From State and Public Lands (section 204 of House amendment; section 7001 of Senate bill; section 491 of conference agreement)

Present Law

Since a 1984 Supreme Court decision in *South Central Timber Development* v. *Wunnicke*, states have been prohibited from barring the export of logs from state lands.

House Amendment

Section 204 restricts exports of unprocessed timber harvested from lands owned or administered by states because recent and anticipated reductions of timber supply west of the 100th meridian may have profound negative economic and social consequences in the United States. To lessen the adverse effect of these reductions, it is necessary to restrict the export of unprocessed timber owned by various governmental entities as set forth in this section.

Section 204(a) directs the Secretary of Commerce to issue an order to prohibit the export from the United States of unprocessed timber harvested from lands owned or administered by a state or any political subdivision of a state, subject to certain conditions.

Section 204(b) sets forth the schedule for the imposition of restrictions on exports of unprocessed state timber. For certain states, the schedule provides for restrictions within 30 days of enactment of this Act. For other states, the schedule is based upon one and two year periods, and beginning in 1996 does not have a specific termination date. The levels under the schedule are to be determined on the basis of the total annual volume of unprocessed timber sold from state lands. For states with annual sales volumes of 400 million board feet or less, the Secretary is directed to issue the order prohibiting the export of unprocessed timber not later than 30 days after the date of enactment of the Act. For states with annual sales volumes greater than 400 million board feet, the bill establishes a schedule for the issuance of orders by the Secretary.

Section 204(b)(3) requires the Secretary of Commerce to report to Congress by June 1, 1995, on the effects of the provisions relating to exports of unprocessed state timber.

Section 204(c) permits the Secretary to increase the amount of unprocessed state timber prohibited from export above the minimum amount required by this bill if the domestic log supply is insufficient to meet the demand of domestic mills. In making such a determination, the bill sets forth the several factors that the Secretary must consider. Such factors include the effects of log exports on the price of logs and the operating margins of domestic processors, whether the volume of public lands timber under contract has increased or decreased by an amount greater than 20 percent within the previous 12 months, and whether and to what extent restraints on exports of unprocessed timber from public lands enhance or diminish the competitive position of the timber industry west of the 100th meridian.

Section 204(d) sets forth administrative provisions. These provisions establish requirements if the Secretary's order under subsection (a) is delayed for any reason, and establishes a system for administration by the states of the Secretary's order under subsection (a). In administering the Secretary's order, the states shall insure a substantial increase in the supply base of unprocessed timber for domestic processors. Furthermore, they shall ensure that the increase in available supply is comprised of all grades and species proportional to the state's annual sales. The states are authorized, in administering the Secretary's order, to adopt regulations restricting the practice of state timber for exported unprocessed private timber. Subsection (d)(3) provides that nothing in this section shall affect the validity of contracts for the purchase of unprocessed timber from any state which were entered into before the effective date of the Secretary's order. Subsection (d)(4) provides that nothing in this section shall affect section (7)(i) of the Export Administration Act of 1979.

Section 204(e) authorizes the President, after suitable notice and a public comment period of not less than 120 days, to suspend the provisions of this section if the President finds them to be in violation of international treaties or trade agreements to which the United States is a party.

Section 204(f) clarifies that no provision of federal law enacted before the enactment of this Act which imposes requirements with respect to the generation of revenue from state timberlands will not affect in any way any action of a state taken pursuant to this Act. The State of Washington holds a substantial portion of its lands in trust for the benefit of its educational institutions under the 1889 Act granting statehood. This section clarifies that neither the 1889 Act nor any other federal law requires the State of Washington to sell any timber for export.

Senate Bill

Section 7001 establishes a process forstates to regulate the export of state-owned logs with the approval of the Secretary of Commerce. The Secretary of Commerce shall prohibit or otherwise restrict the exportation from the United States of any unprocessed timber harvested from land owned or administered by a state, provided that the Governor of the state has certified that the state has certified that the state supports such prohibitions based on:

(1) a statute enacted by the state legislature;

(2) a Statewide voter initiative; or

(3) an existing state statute.

For approval to be granted, a federal log export ban must be effect. In addition, each state may adopt provisions with respect to substitution.

Conference Agreement

The conferees agree to merge the House amendment and Senate bill. Section 491(a) directs the Secretary of Commerce to issue an order to prohibit the export from the United States of unprocessed timber harvested from lands owned or administered by a state or any political subdivision of a state, subject to certain conditions.

Section 491(b)(1) applies to states with annual sales of 400 million board feet or less. The subsection prohibits the export of unprocessed timber originating from state lands within 21 days of enactment of this Act.

Section 491(b)(2) applies to states with annual sales of 400 million board feet or more. For states with annual sales volumes greater than 400 million board feet, the bill establishes a schedule for the issuance of orders by the Secretary. The schedule is based upon one and two year periods, and beginning in 1996 does not have a specific termination date.

Section 491(b)(3) requires the Secretary of Commerce to report to Congress by June 1, 1995, on the effects of the provisions relating to exports of unprocessed state timber.

Section 491(c) permits the Secretary, for those states with annual sales volumes greater than 400 million board feet, to increase the amount of unprocessed state timber prohibited from export above the minimum amount required by this bill if the domestic log supply is insufficient to meet the demand of domestic mills. In making such a determination, the bill sets forth the several factors that the Secretary must consider. Such factors include the effects of log exports on the price of logs and the operating margins of domestic processors, whether the volume of public lands timber under contract has increased or decreased by an amount greater than 20 percent within the previous 12 months, and whether and to what extent restraints on exports of unprocessed timber from public lands enhance or diminish the competitive position of the timber industry west of the 100th meridian.

Section 491(d)(1) sets forth administrative provisions. These provisions establish requirements if the Secretary's order under subsection 491(a) is delayed for any reason, and establish a system for administration by the states of the Secretary's order under subsection 491(b). In administering the Secretary's order, the states shall insure a substantial increase in the supply base of unprocessed timber for domestic processors. Furthermore, they shall insure that the increase in available supply is comprised of all grades and species proportional to the state's annual sales. In carrying out the intent of this Title, the Congress recognizes that each individual state affected should be in control of its own regulations and that its legislature should be given an opportunity to act on regulations independent of actions taken by other affected states.

491(d)(2) requires each state to consider the species, grade and geographic origin of its public timber so that the restrictions of the Title will be allocated in a representative and equitable manner. The conferees recognize that the states must also take into account other laws to which they are subject. For example, much of the timber affected by this Title is held by the states in trust for counties or schools. It is not the intent of the Conferees that the allocations made by the states discriminate against timber held in trust, or discriminate among different trusts. Rather, the concept of representative and equitable treatment should extend across all forms of public timber ownership in each state.

Section 491(d)(3) provides that each state shall develop its own regulations to implement the state export restrictions.

For states with annual sales of 400 million board feet or more, the Governor, after consultation with appropriate state officials and with a State Board of Natural Resources, if any, shall within 120 days of enactment issue regulations. The intent of Congress is that any regulations issued by the Governor under this subsection take into consideration a complete range of options applicable in meeting the purposes of this Title. Such options may include the treatment of substitution; state timber purchasing caps for individual companies; small business state timber sales allocations; or any other regulatory remedy the Governor deems appropriate. Such regulations shall remain in effect until such time as the legislature of that state enacts requirements as it deems appropriate to carry out this section.

For states with annual sales of 400 million board feet or less, the Governor shall within 120 days of enactment issue regulations to carry out this section. The states are authorized, in administering the Secretary's order, to adopt regulations restricting the practice of substituting state timber for exported unprocessed private timber. Until such regulations are developed, the federal substitution rules will apply.

Section 491(d)(4) provides that nothing in this section shall apply to any contracts for the purchase of unprocessed timber from any state which were entered into before the effective date of the Secretary's order.

Section 491(d)(5) provides that nothing in this section effects section (7)(i) of the Export Administration Act of 1979.

Section 491(e) authorizes the President, after suitable notice and a public comment period of not less than 120 days, to suspend the provisions of this section if a GATT panel, or a ruling issued under the formal dispute settlement proceeding provided under any other trade agreement, finds that the state export restrictions are in violation of, or inconsistent with U.S. international obligations.

Section 491(f) authorizes the President to remove or modify any state export restrictions if a state petitions, and the President determines it is in the national economic interests to remove or modify such restrictions.

Section 491(g) clarifies that no provision of federal law enacted before the enactment of this Act which imposes requirements with respect to the generation of revenue from state timberlands will affect in any way any action of a state taken pursuant to this Act. The State of Washington holds a substantial portion of its lands in trust for the benefit of its educational institutions under the 1889 Act granting statehood. This section clarifies that neither the 1889 Act nor any other federal law requires the State of Washington to sell any timber for export.

Section 491(h) establishes that the prohibitions on state timber exports shall not apply to specific grades and species of unprocessed timber from federal lands that the Secretaries of Agriculture and Interior determine to be surplus to domestic processing needs. Congress expects the Secretaries to hold hearings to determine whether species currently designated as surplus have no domestic markets. The Secretaries should not declare species or grades to be surplus unless no domestic markets for such species or grades exist.

Section 491(i) provides that, beginning in 1997, the President may suspend the restrictions on the export of unprocessed timber from state lands if they are determined to no longer meet the intent of this Title.

Section 491(j) provides that nothing in this Act shall be construed to limit the authority of the President or USTR to take appropriate action to respond to any measure taken by a foreign government in connection with this Act.

Monitoring and Enforcement (section 205 of House amendment; sections 6102, 6201 and 6202 of Senate bill; section 492 of conference agreement.)

Present Law

Requires purchasers of federal timber to identify the disposition of such timber on an annual basis. The purchaser must identify to whom the timber will be delivered. New owners of timber sign an agreement with the timber purchasers agreeing to process the timber domestically. Present law has no reporting requirements for third party purchases of federal timber. The Forest Service reports annually to the Congress on the disposition of federal timber.

Under current law, there are no civil fines or penalties mandated by statute for violation of timber export regulations. However, the Forest Service has the authority to prohibit persons from entering into contracts to purchase unprocessed federal timber for not less than 6 months and not more than 3 years for violating timber export regulations.

House Amendment

Section 205(a) requires each person who acquires or transfers to another person unprocessed federal timber to report the origin and disposition of such timber to the Secretaries of Agriculture and Interior and to any person receiving such timber.

Section 205(b) requires the Secretaries of Agriculture and Interior to submit to Congress not later than June 1, 1995, a report and recommendations concerning the practice of indirect substitution.

Section 205(c) provides for civil penalties against any person who has knowingly and willfully exported unprocessed federal timber in violation of this title or violated any other provision of this title or any regulations issued under this title.

Section 205(d) establishes the conditions under which the appropriate federal department or agency may debar any person who violates this title, or any regulation or contract issued under this title, from entering into any contract for the purchase of unprocessed timber from federal lands.

Senate Bill

Section 6102 requires that persons acquiring federal timber report the disposition of the timber to the appropriate Secretary administering the relevant federal lands on a quarterly basis. The section also requires that person conveying the timber must identify the origin of such timber to the purchaser, who must then submit written acknowledgment of receipt of the identification and sign an agreement to comply with the prohibitions in Section 6101. The appropriate U.S. Secretary shall report annually to the Congress on the dispositions covered by these reporting requirements.

Section 6201 imposes civil penalties for violations of the Act.

Section 6202 directs the appropriate Secretary to prohibit persons violating these provisions from entering into any contract for the purchase of unprocessed federal timber for not more than 5 years. Such a person shall also be precluded from taking delivery of federal timber purchased by another party during the period of debarment.

Conference Agreement

The Senate recedes with an amendment requiring greater reporting requirements. Under Section 492(a), the conferees intend that the Secretaries of Agriculture and Interior have a complete accounting of transactions relating to the acquisition and disposition of unprocessed timber originating from federal lands. The provision requires each person who acquires, directly or indirectly unprocessed federal timber, to report the receipt and disposition of such timber to the Secretaries of Agriculture and Interior. Additionally, each person who transfers to another person unprocessed timber is required to exchange written information with such person. The subsection provides that the transferror must provide the transferee with a written notice identifying the origin of the timber, and receive from the transferee a written acknowledgement of such notice and a written agreement that the transferee will comply with the requirements of this title. The transferror is required to provide the appropriate Secretary copies of all notices, acknowledgements and agreements required under this section.

Section 492(b) requires the Secretaries of Agriculture and Interior to submit to Congress not later than June 1, 1995, a report and recommendations concerning the practice of indirect substitution.

Section 492(c) provides for civil penalties against any person who has violated this title or any regulations issued under this title.

Section 492(d) establishes the conditions under which the appropriate federal department or agency may debar any person who violates this title, or any regulation or contract issued under this title, from entering into any contract for the purchase of unprocessed timber from federal lands.

Definitions (section 206 of House amendment; sections 6204 and 7002 of Senate bill; section 493 of conference agreement)

Present Law

Several terms associated with the export of timber are currently defined by regulation. The interpretations of the definitions of substitution and unprocessed timber have been the subject of substantial disagreement.

House Amendment

Section 206 contains definition of "federal lands", "private lands", "public lands", "person", and "unprocessed timber".

Senate Bill

Section 6204 contains definitions of "acquire", "affiliate", "federal lands", "person", "private lands", "Secretary concerned", "substitution", and "unprocessed timber".

Section 7002 contains definitions of "state", "state lands", and "unprocessed timber".

Conference Agreement

The conferees agree to merge the House amendment and Senate bill. Section 493 contains definitions of "acquire", "substitution", "federal lands", "private lands", "public lands", "person", and "unprocessed timber". Substitution definition reflects on activity in the same geographic & economic area. In adopting this definition of unprocessed timber, the conferees intend to resolve any divergent interpretations of the definition of unprocessed timber. It is the intent of the conferees that domestic pulp mills should retain the ability to purchase federal pulp-grade logs for use in their operations. All definitions are effective upon date of enactment of this Act, but shall not apply to contracts entered into prior to date of enactment of this Act.

Effective Date (section 207 of House amendment; sections 6205 and 7003 of Senate bill; section 494 of conference agreement)

Present Law

No provision.

House Amendment

Section 207 of this Title contains specific time lines for the implementation of various provisions. Where time lines are not specified, the House intends that the effective date be upon enactment.

Senate Bill

Section 6205 provides that the federal ban is effective one year after date of enactment.

Section 7003 provides that the state ban is effective upon enactment of this Act.

Conference Agreement

Except as otherwise specified in this Title, the effective date shall be date of enactment.

Regulations and Review (section 208 of House amendment; section 6203 of Senate Bill; section 495 of conference agreement)

Present Law

No provision.

House Amendment

Section 208 provides that, except as otherwise specified in this Title, the regulations are to be completed no later than 1 year after enactment.

Senate Bill

Section 6205 requires that regulations are required to be completed no later than 1 year after enactment.

Conference Agreement

Except as otherwise provided in this Title, regulations shall be completed no later than 9 months after enactment.

Section 495(b) provides that the Secretaries of Agriculture and Interior shall review the definition of unprocessed timber and within 18 months report any recommended changes of the definition to Congress.

In particular, the report shall focus on the effect of having two size standards for timber under sections 493(7)(B)(ii) and (iii).

The conferees are particularly concerned about:

1. the confusion for government officials and U.S. producers resulting from two different size standards; and

2. the potential for harassment by government officials who—while inspecting timber bundled in large containerized shipments—may unreasonably require the unloading of the containers.

In developing the report and formulating the recommendations, the conferees expect the Secretaries to provide notice to, and solicit comments from all interes.ed parties. In addition to general recommendations about the definition of unprocessed timber, the report shall summarize the comments received from the interested parties and examine the advantages and disadvantages of having two size standards under 493(7)(B)(ii) and (iii).

Authorization of Appropriations (Section 209 of House amendment; section 496 of conference agreement)

Present Law

No provision.

House Amendment

Section 209 authorizes such appropriations as are necessary to carry out this Title.

Senate Bill

No provision.

Conference Agreement

Senate recedes.

Savings Clause (section 210 of House amendment; section 497 of conference agreement)

Present Law

No provision.

House Bill

Section 210 provides that no timber sales contract entered into before the effective date of this Title shall be altered or affected by any provision of this Title.

Senate Amendment

No provision.

Conference Agreement

Senate recedes.

Eastern Hardwood Study (sec. 498 of conference agreement)

Present Law

No provision.

House Amendment

No provision.

Senate Bill

No provision.

Conference Agreement

Section 498 directs the Secretaries to study the effects and merits of the exportation of hardwood sawlogs from federal and state lands east of the 100th meridian. The conferees believe the data necessary to complete this study could be collected as an addition to the Shipper's Export Declaration (SED). This would provide both the government and business a clear understanding of how this provision should be implemented; it would help ensure the data is treated confidentially; and it would extend the enforcement procedures of the SED process to the additional data collected.

Authority of the Export Administration Act of 1979 (sec. 499 of conference agreement)

Present Law

The Secretary may currently exercise authority under this Act to prohibit the export of domestic raw materials deemed to be in short supply due to domestic shortage or the inflationary effects of foreign demand.

House Amendment

No provision.

Senate Bill

No provision.

Conference Agreement

Section 499 clarifies that, by approving this Title, Congress does not intend to influence one way or another the outcome of any pending or prospective petition filed under section 7 of the EAA of 1979 with respect to the export of unprocessed timber. Furthermore, Congress does not intend that this Title be implemented under authority of section 7 of the EAA of 1979. This Title establishes new authority for the Secretaries with respect to regulating the export of unprocessed timber.

From the Committee on Ways and Means, for consideration of the House amendment to the Senate amendment, and the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
BILL ARCHER,
GUY VANDER JAGT,
PHIL CRANE,
BILL FRENZEL,

As additional conferees, solely for consideration of title II of the House amendment to the Senate amendment, and for title II of the Senate amendment, and modifications committed to conference:

J.J. PICKLE,
RICHARD T. SCHULZE,

From the Committee on Agriculture, for consideration of titles VI and VII of the Senate amendment, and modifications committed to conference:

E DE LA GARZA,
HAROLD L. VOLKMER,
GEORGE E. BROWN, Jr.,
JIM OLIN,
RICHARD STALLINGS,
SID MORRISON,
ROBERT F. SMITH,
WALLY HERGER,

From the Committee on Interior and Insular Affairs, for consideration of titles VI and VII of the Senate amendment, and modifications committed to conference:

MO UDALL,
BRUCE F. VENTO,
PAT WILLIAMS,
PETER DEFAZIO,
J. MCDERMOTT,
DON YOUNG,
LARRY E. CRAIG,
DENNY SMITH,

From the Committee on Foreign Affairs, for consideration of titles VI and VII of the

Senate amendment, and modifications committed to conference:

DANTE B. FASCELL,
HOWARD WOLPE
SAM GEJDENSON,
PETER H. KOSTMAYER,
EDWARD F. FEIGHAN,
WM. BROOMFIELD,
TOBY ROTH,
JOHN MILLER,
Managers on the Part of the House.

LLOYD BENTSEN,
DANIEL PATRICK MOYNIHAN,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BILBRAY (at the request of Mr. GEPHARDT) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. BENTLEY) to revise and extend their remarks and include extraneous material:)

Mr. BUECHNER, for 60 minutes each day, today and on July 31.

Mr. GINGRICH, for 60 minutes each day, today and on July 31 and August 1, 2, and 3.

Mr. ROTH, for 5 minutes, today.

Mr. DREIER of California, for 60 minutes, on August 3.

(The following Members (at the request of Mr. HARRIS) to revise and extend their remarks and include extraneous material:)

Mrs. UNSOELD, for 5 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes each day, on July 31 and August 1, 2, and 3.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Mr. CONTE.

Mr. CLINGER in two instances.

Mr. GOODLING.

Ms. ROS-LEHTINEN in three instances.

Mr. BEREUTER.

Mr. CRAIG.

(The following Members (at the request of Mr. HARRIS) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. ACKERMAN in two instances.

Mr. MORRISON of Connecticut.

Mr. YATRON.

Mr. BERMAN.

Mr. OWENS of New York.

Mr. DINGELL.

Mr. MCMILLEN of Maryland.

Mr. SKELTON.

Mr. YATES.

Mr. FAUNTROY.

Mr. TALLON.

Mr. BONIOR.

Mr. HOYER.

Mr. LEHMAN of Florida.

Mr. MAZZOLI.

Ms. PELOSI.

Mr. STOKES.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 548. Joint resolution designating the week of August 19 through 25, 1990, as "National Agricultural Research Week."

ADJOURNMENT

Mr. BURTON of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 19 minutes p.m.) under its previous order, the House adjourned until tomorrow, Tuesday, July 31, 1990, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3638. A letter from the Assistant Secretary, Department of Health and Human Services, transmitting a report entitled "The Human Nutrition Research and Information Management System, FY 1988"; to the Committee on Agriculture.

3639. A letter from the Export-Import Bank of the United States, transmitting a report on its position with respect to establishing a loan loss reserve, pursuant to Public Law 101-240, section 101(e) (103 Stat. 2495); to the Committee on Banking, Finance and Urban Affairs.

3640. A letter from the Secretary of Labor, transmitting the Secretary's annual report on employment and training programs, pursuant to 29 U.S.C. 1579(d); to the Committee on Education and Labor.

3641. A letter from the Secretary of Education, transmitting copies of a study of college tutoring programs for the disadvantaged; to the Committee on Education and Labor.

3642. A letter from the Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending June 30, 1990, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

3643. A letter from the Administrator, Small Business Administration, transmitting a report of actions taken to increase competition for contracts during fiscal year 1990, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

3644. A letter from the Trust Committee, transmitting a copy of the retirement plan for employees of the associations and banks of the Ninth Farm Credit District, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3645. A letter from the Secretary of the Interior, transmitting notification that an application has been received from the Schuk Toak District, Tohono O'Odham Nation for a loan in the amount of $7,599,977, pursuant to 43 U.S.C. 485th; to the Committee on Interior and Insular Affairs.

3646. A letter from the Department of Agriculture, transmitting the fourth quarterly country and commodity allocation table showing current programming plans for food assistance, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

3647. A letter from the Administator, Agency for International Development and the First Vice President and Chairman, Eximbank of the United States, transmitting the Agency's semiannual report on the amount and extension of credits under the Trade Credit Insurance Program to Costa Rica, Guatemala, Honduras, and El Salvador for fiscal year 1989, pursuant to 22 U.S.C. 2184(g); jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

3648. A letter from the Secretary of Energy, transmitting the annual report on the Clean Coal Technology [CCT] Demonstration Program for 1989; jointly to the Committee on Appropriations; Energy and Commerce; and Science, Space, and Technology.

3649. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Technology Administration in the Department of Commerce to provide certain services to the Advisory Council on Federal Participation in Sematech; jointly, to the Committee on Armed Services; Banking, Finance and Urban Affairs; Energy and Commerce; and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3789. A bill to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes; with an amendment (Rept. 101-583, Pt. 2). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5084. A bill to authorize the National Park Service to acquire and manage the Mary McLeod Bethune Council House National Historic Site, and for other purposes; with an amendment (Rept. 101-

636). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3493. A bill to authorize a study on methods to commemorate the nationally significant highway known as Route 66, and for other purposes; with an amendment (Rept. 101-637). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 1230. An act to authorize the acquisition of additional lands for inclusion in the Knife River Indian Villages National Historic Site, and for other purposes; with an amendment (Rept. 101-638). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 1524. An act to amend the Wild and Scenic Rivers Act of 1968 by designating segments of the Pemigewasset River in the State of New Hampshire for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes. (Rept. 101-639). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 1046. An act to amend the Wild and Scenic Rivers Act of 1968 by designating segments of the Merrimack River in the State of New Hampshire for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes. (Rept. 101-640). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4498. A bill to amend the Colorado River Storage Project Act, to direct the Secretary of the Interior to establish and implement emergency interim operational criteria at Glen Canyon Dam, and for other purposes; with an amendment (Rept. 101-641). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4487. A bill to amend the Public Health Service Act to revise and extend the program for the National Health Service Corps and to establish a program of grants to the States with respect to offices of rural health; with amendments (Rept. 101-642). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 4983. A bill to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments or cost savings disclosures, and for other purposes; with amendments (Rept. 101-643). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 4000. A bill to amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment, and for other purposes, with an amendment (Rept. 101-644, Pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on the Judiciary. H.R. 2071. A bill for the relief of Catherine Anne Bardole aka Kathleen Bardole and her minor children, Lisa Anne Farley, and Elaine Mary Farley (Rept. 101-654). Referred to the Committee of the Whole House.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 711. A bill to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such act, and for other purposes; with an amendment (Rept. 101-646). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEILENSON: Committee on Rules. H. Res. 443. A resolution providing for the consideration of H.R. 5355, A bill to increase the statutory limit on the public debt (Rept. 101-647). Referred to the House Calendar.

Mr. FAZIO: Committee on Appropriations. H.R. 5399. A bill making appropriations for the legislative branch for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-648). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. Report on Senate amendments to H.R. 4328, Textile, Apparel, and Footwear Trade Act of 1990 (Rept. 101-649). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee of Conference. Conference report on H.R. 1594 (Rept. 101-650). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FAZIO:

H.R. 5399. A bill making appropriations for the legislative branch for the fiscal year ending September 30, 1991, and for other purposes.

By Mr. SWIFT (for himself, Mr. GEPHARDT, Mr. GRAY, Mr. BROOKS, Mr. ANNUNZIO, Mr. MCHUGH, Mr. ANTHONY, Mr. FROST, Mr. SABO, and Mr. SYNAR):

H.R. 5400. A bill to amend the Federal Election Campaign Act of 1971 and certain related laws to clarify such provisions with respect to Federal elections, to reduce costs in House of Representatives elections, and for other purposes; jointly, to the Committees on House Administration, Energy and Commerce, Post Office and Civil Service, and Ways and Means.

By Mr. BROOKS (for himself, Mr. WYLIE, Mr. SCHUMER, and Mr. FISH):

H.R. 5401. A bill to improve the enforcement of criminal laws relating to banking, to facilitate the recovery of assets of failed financial institutions, to increase existing penalties and provide new penalties for offenses affecting financial institutions, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and the Judiciary.

By Mr. CLINGER (for himself, Mr. KOSTMAYER, Mr. BORSKI, Mr. COUGHLIN, Mr. COYNE, Mr. FOGLIETTA, Mr. GAYDOS, Mr. GEKAS, Mr. GOODLING, Mr. GRAY, Mr. KOLTER, Mr. KANJORSKI, Mr. MCDADE, Mr. MURPHY, Mr. MURTHA, Mr. RIDGE, Mr. RITTER, Mr. SCHULZE, Mr. SHUSTER, Mr. WALGREN, Mr. WALKER, Mr. WELDON, and Mr. YATRON):

H.R. 5402. A bill to amend the Wild and Scenic Rivers Act by designating certain segments of the Allegheny River in the State of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DICKINSON:

H.R. 5403. A bill to provide that all Federal civilian and military retirees, and all Federal officers and employees shall receive the full cost-of-living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes; jointly, to the Committees on Post Office and Civil Service, Armed Services, Foreign Affairs, Intelligence (Permanent Select), and Energy and Commerce.

By Mr. DORGAN of North Dakota:

H.R. 5404. A bill to amend the Agricultural Act of 1949 to alter the repayment requirements for certain producers on a farm who received an advanced deficiency pay for the 1988 or 1989 crop of wheat, feed grains, upland cotton, or rice; to the Committee on Agriculture.

By Mr. HUCKABY (for himself and Mr. TAUZIN):

H.R. 5405. A bill to establish the Bayou Cocodrie National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBS:

H.R. 5406. A bill to amend the Federal Election Campaign Act of 1971 to prohibit candidates for Federal office from using campaign contributions for inherently personal purposes; to the Committee on House Administration.

By Mrs. KENNELLY:

H.R. 5407. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for State and local sales taxes; to the Committee on Ways and Means.

By Mr. LEHMAN of California (for himself and Mr. HILER):

H.R. 5408. A bill to amend chapter 51 of title 31, United States Code, to authorize appropriations for the Bureau of the Mint, to redesignate the Bureau of the Mint as the U.S. Mint, to establish an annual commemorative coin program and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NIELSON of Utah (for himself, Mr. HORTON, Mr. GILMAN, and Mr. MCCLOSKEY):

H.R. 5409. A bill to designate the post office building at 222 West Center Street, in Orem, UT, as the "Arthur V. Watkins Post Office"; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.R. 5410. A bill to improve the process for recovering for the U.S. taxpayers the proceeds of savings and loan fraud from the miscreants who perpetrated such crimes, increase the effectiveness of the investigation and prosecution of such crimes; and for other purposes; jointly, to the Committee on Banking, Finance and Urban Affairs and the Judiciary.

By Mr. SOLARZ:

H.R. 5411. A bill to amend the Trademark Act of 1946 to limit infringement actions for registered marks of professional sports teams; to the Committee on the Judiciary.

By Mr. GOODLING:

H. Con. Res. 357. Concurrent resolution expressing the sense of the Congress that medical examiners and coroners should make reasonable, good faith efforts to locate the next of kin of deceased individuals; to the Committee on Government Operations.

By Mr. LIVINGSTON:

H. Con. Res. 358. Concurrent resolution honoring Walker Percy of Covington, LA, as one of the finest writers of the 20th century; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

482. The SPEAKER presented a memorial of the Legislature of the State of Illinois, relative to the needs of America's children; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WOLPE introduced a bill (H.R. 5412) to extend the patent numbered 3,793,457 for a period of 4½ years; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Mrs. SCHROEDER and Mr. MARKEY.
H.R. 199: Mr. ARMEY.
H.R. 1570: Mr. BILBRAY.
H.R. 1693: Mr. SCHUMER.
H.R. 2395: Mr. WEISS and Ms. PELOSI.
H.R. 2418: Mr. SHUMWAY.
H.R. 2596: Mr. GALLO.
H.R. 2732: Mr. MACHTLEY.
H.R. 2798: Mr. ASPIN and Mrs. PATTERSON.
H.R. 2816: Mr. CHAPMAN.
H.R. 2926: Mr. BATES, Ms. ROS-LEHTINEN, and Mr. DARDEN.
H.R. 3249: Mr. BEVILL.
H.R. 3500: Mr. MCMILLAN of North Carolina.
H.R. 3547: Mr. LAGOMARSINO, Mr. MADIGAN, Mr. HYDE, Mr. STANGELAND, Mr. PORTER, Mr. RITTER, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MRAZEK, Mr. PENNY, Mr. BALLENGER, Mr. FAWELL, Mr. KANJORSKI, Mrs. MEYERS of Kansas, Mr. SCHUETTE, Mr. SMITH of New Hampshire, Mr. DEFAZIO, Mr. HOUGHTON, Mr. KYL, Mr. JAMES, and Ms. ROS-LEHTINEN.
H.R. 3697: Mr. CLINGER, Mr. DORNAN of California, Mr. DUNCAN, Mr. HERGER, Mr. MCEWEN, Mr. RAVENEL, Mr. ROBINSON, Mr. ROGERS, and Mr. SUNDQUIST.
H.R. 3734: Mr. YATES.
H.R. 4000: Mr. BROOKS, Mr. CARR, Mr. SMITH of Florida, Mr. SMITH of Vermont, and Mr. WALSH.
H.R. 4212: Mr. GEREN of Texas, Mr. SMITH of Texas, Mr. BUSTAMANTE, Mr. GOSS, and Mr. HOLLOWAY.
H.R. 4269: Mr. DELLUMS, Mr. DONALD E. LUKENS, Mr. RITTER, Mr. ACKERMAN, and Mr. ROBERTS.
H.R. 4369: Mr. GOODLING.
H.R. 4433: Mr. MRAZEK, Mrs. MEYERS of Kansas, and Mr. LEWIS of Georgia.
H.R. 4487: Mr. ROBERT F. SMITH, Mr. MORRISON of Washington, Mr. CONDIT, Mr. WILLIAMS, Mr. MILLER of Washington, and Mr. OWENS of New York.
H.R. 4492: Mr. ATKINS, and Mr. SMITH of New Hampshire.
H.R. 4498: Mr. MORRISON of Connecticut, and Mr. LAGOMARSINO.
H.R. 4690: Mr. MCMILLEN of Maryland, Mr. STEARNS, Mr. CAMPBELL of California, Mr. BROWN of California, Mr. EDWARDS of Oklahoma, Mr. SANGMEISTER, and Mr. JONES of North Carolina.
H.R. 4741: Mr. OWENS of Utah, Mr. MCNULTY, and Mr. ESPY.
H.R. 4801: Mr. EVANS.
H.R. 4915: Mr. MINETA.
H.R. 4979: Mr. WISE.
H.R. 5041: Mr. CAMPBELL of California.
H.R. 5053: Mr. FUSTER, Mr. ALEXANDER, Mr. WEISS, Mr. SOLARZ, Mr. CARDIN, and Mr. JACOBS.
H.R. 5082: Mr. FROST.
H.R. 5086: Mr. MURTHA.
H.R. 5123: Mr. STALLINGS.
H.R. 5174: Mr. CONTE, Mr. LEWIS of California, and Mrs. UNSOELD.
H.R. 5194: Mr. HANSEN.
H.R. 5202: Mr. MORRISON of Connecticut and Mr. BERMAN.
H.R. 5217: Mr. FROST.
H.R. 5244: Ms. SNOWE, Mr. RICHARDSON, Mr. STALLINGS, Mr. PENNY, Mr. LEATH of Texas, Mr. PARKER, Mr. TAUKE, Mr. JONTZ, and Mr. BONIOR.
H.R. 5246: Mr. SOLARZ and Mr. GREEN.
H.R. 5266: Mr. CHAPMAN, Mr. JONTZ, Mr. SMITH of New Jersey, Mr. WAXMAN, Mr. ASPIN, Mr. ENGLISH, Mr. MAVROULES, and Mr. SABO.
H.R. 5282: Mr. SOLARZ, Mr. MCCLOSKEY, Mr. HORTON, Mr. DEFAZIO, Mr. SAVAGE, Mr. NOWAK, Mr. FORD of Michigan, Mr. MURTHA, Mr. HAWKINS, Mr. WYDEN, Ms. KAPTUR, Mr. MRAZEK, and Mr. SMITH of Vermont.
H.R. 5334: Mr. SMITH of New Jersey.
H.R. 5338: Mr. GILMAN, Mr. ANDERSON, Mr. FUSTER, and Mr. FAZIO.
H.R. 5356: Mr. BORSKI, Mrs. COLLINS, Mr. DELLUMS, Mr. LENT, and Mrs. MORELLA.
H.R. 5368: Mr. DEWINE Mr. SUNDQUIST, Ms. ROS-LEHTINEN, Mr. HERTEL, Mr. PAXON, Mr. LIGHTFOOT, and Mr. STARK.
H.J. Res. 519: Mr. MOODY, Mr. PARKER, Mr. WILSON, Mr. WALSH, Mr. HENRY, Mr. SAWYER, Mr. ROE, and Mr. PURSELL.
H.J. Res. 571: Mr. COLEMAN of Missouri, Mr. BOSCO, Mr. HOYER, Mr. BONIOR, Mr. BUSTAMANTE, Mr. COOPER, Mr. DWYER, of New Jersey, Mr. DE LUGO, Mr. EDWARDS of California, Mr. FALEOMAVAEGA, Mr. FEIGHAN, Mr. FRENZEL, Mr. MOODY, Mr. PORTER, Mr. CRAIG, Mr. STOKES, Mr. FLIPPO, Mr. GRANDY, Ms. PELOSI, Mr. DORNAN of California, Mr. THOMAS A. LUKEN, Mr. ROBERTS, Mr. TRAFICANT, Mr. MACHTLEY, Mr. DE LA GARZA, and Mr. KASTENMEIER.
H.J. Res. 602: Mr. COLEMAN of Texas, Mr. CLEMENT, Mr. HYDE, Mr. VALENTINE, Mr. WYDEN, Mr. POSHARD, Mr. MARTIN of New York, Mr. MURPHY, Mr. PASHAYAN, Mr. PAYNE of New Jersey, Mr. GUARINI, Mr. RINALDO, Mr. MONTGOMERY, Mr. WOLPE, and Mrs. SAIKI.
H.J. Res. 613: Mr. LEWIS of Georgia, Mr. HENRY, Mr. FROST, Mrs. BOGGS, and Mr. BAKER.
H.J. Res. 616: Ms. OAKAR, Mr. STAGGERS, Mr. SHUMWAY, Mr. WAXMAN, Mr. SAXTON, and Mr. WISE
H.J. Res. 626: Mr. FROST, Mr. WOLF, and Mr. WALSH.
H.J. Res. 632: Mr. FAZIO,
H. Con. Res. 331: Mr. VALENTINE.

PETITIONS, ETC.

Under clause 1 of rule XXII,

220. The SPEAKER presented a petition of Amnesty International USA, relative to Iraqi human rights violations; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1180

By Mr. DREIER of California:

—Page 137, line 8, strike "the applicable percentage" and all that follows through "and" in line 10.

—Page 250, strike line 17 and all that follows through page 251, line 17, and insert the following new subsections:

(a) RESERVATION OF AMOUNTS.—Section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) is amended by adding at the end the following new paragraph:

"(4)(A) With respect to fiscal year 1992 and fiscal years thereafter and to the extent sufficient amounts are approved in appropriations Acts pursuant to section 5 for assistance under subsection (b) of this section, the Secretary shall reserve $35,000,000 of such amounts in each fiscal year for use only in providing assistance on behalf of families described in subparagraph (B).

"(B) The families referred to in subparagraph (A) shall be families who qualify for the preference under paragraph (1)(A)(i) relating to substandard housing because an agency referred to in subparagraph (C) has identified the family as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care or in preventing the discharge of a child from foster care and reunification with his or her family.

"(C) The Secretary shall provide for public housing agencies and other agencies administering the allocation of assistance under this section to consult with any local public agencies involved in providing for the welfare of children to make available assistance under this paragraph.".

(b) STUDY AND REPORT REGARDING AFFORDABLE HOUSING ENTITLEMENT.—

(1) STUDY.—The Comptroller General of the United States shall carry out a study regarding the feasibility and cost of providing an entitlement to assistance under section 8 of the United States Housing Act of 1937 for individuals and families in the United States not residing in adequate affordable housing. Such individuals and families shall include—

(A) families having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care or in preventing the discharge of a child from foster care and reunification with his or her family;

(B) individuals with acquired immunodeficiency syndrome;

(C) homeless individuals with mental illness and homeless individuals who are substance abusers;

(D) individuals and families whose only source of income is provided by public assistance programs or social security programs; and

(E) individuals and families who are employed but whose wages are insufficient to acquire adequate housing in the community.

(2) REPORT.—The Comptroller General shall submit to the Congress, not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, a report describing the results of the study conducted under paragraph (1) and any conclusions and recommendations of the Comptroller General resulting from the study.

By Mr. KLECZKA:

—Page 428, after line 14, insert the following new section (and redesignate subsequent sections and any references to such sections, and conform the table of contents, accordingly):

SEC. 738. REPORTS REGARDING EARLY DEFAULTS ON FHA-INSURED LOANS.

(a) IN GENERAL.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended by inserting after section 539 (as added by this Act) the following new section:

"REPORTS REGARDING EARLY DEFAULTS AND FORECLOSURES ON INSURED MORTGAGES

"(a) IN GENERAL.—The Secretary of Housing and Urban Development shall cause to be published quarterly a report entitled "FHA Default Report", which shall contain information as provided under this section. Each report shall be an official publication of the Department of Housing and Urban Development and shall be made available to the public. Each report shall be made for the applicable reporting period (as such term is defined in subsection (c)) and shall be published not more than 30 days after the conclusion of the calendar quarter relating to each such period. The first report under this section shall be made for the applicable reporting period relating to the first calendar quarter ending after the expiration of the 180-day period beginning on the date of the enactment of the Housing and Community Development Act of 1990.

"(b) CONTENTS.—

"(1) MORTGAGE LENDER ANALYSIS.—Each report under this section shall contain, for each lender originating mortgages during the applicable reporting period that are insured pursuant to section 203 and secured by property in a designated census tract, the following information with respect to such mortgages:

"(A) The name of the lender and the number of each designated census tract in which the lender originated 1 or more such mortgages during the applicable reporting period.

"(B) The total number of such mortgages originated by such lender during the applicable reporting period in each designated census tract and the number of mortgages originated each year in each designated census tract.

"(C) The total number of defaults and foreclosures on such mortgages during the applicable reporting period in each designated census tract and the number of defaults and foreclosures in each designated census tract in each year of the period.

"(D) For each designated census tract, the percentage of such lender's total insured mortgages originated during each year of the applicable reporting period (with respect to properties within such census tract) on which defaults or foreclosures have occurred during the applicable reporting period.

"(E) The total of all such originations, defaults, and foreclosures on insured mortgages originated by such lender during the applicable reporting period for all designated census tracts and the percentage of the total number of such lender's insured mortgage originations on which defaults or foreclosures have occurred during the applicable reporting period.

"(2) OTHER INFORMATION.—Each report under this section shall also include the following information:

"(A) For each lender referred to under paragraph (1), the total number of insured mortgages originated by the lender secured by properties not located in a designated census tract, the total number of defaults and foreclosures on such mortgages, and the percentage of such mortgages originated on which defaults or foreclosures occurred during the applicable reporting period.

"(B) For each designated census tract, the total number of mortgages originated during the applicable reporting period that are insured pursuant to section 203, the number of defaults and foreclosures occurring on such mortgages during such period, and the percentage of the total insured mortgage originations during the period on which defaults or foreclosures occurred.

"(c) DEFINITIONS.—For purposes of this section:

"(1) APPLICABLE REPORTING PERIOD.—The term 'applicable reporting period' means the 5-year period ending on the last day of the calendar quarter for which a report under this section is made.

"(2) DESIGNATED CENSUS TRACT.—The term 'designated census tract' means a census tract located within a metropolitan statistical area, as defined pursuant to regulation issued by the Secretary of Commerce.".

(b) AVAILABILITY OF INFORMATION DURING TRANSITION.—During the period beginning on the date of the enactment of this Act and ending on the date of the issuance of the first quarterly report under section 540 of the National Housing Act (as added by subsection (a)), the Secretary of Housing and Urban Development shall make publicly available all reports regarding Default/Claim Rates per Regional Office for Fiscal Year 1990 Endorsements that are produced by the Department of Housing and Urban Development during such period.

—Page 461, strike lines 22 and 23 and insert the following: "does not include recreational vehicles, recreational vehicle park trailers, and modular buildings";

—Page 463, line 11, strike "and".

—Page 463, line 21, strike "." and insert a semicolon.

—Page 463, after line 21 insert the following:

"(15) 'modular building' means any building of closed construction that is (A) not a manufactured home, and (B) made or assembled in manufacturing facilities off the building site for installation, or assembly and installation, on the building site, except that such term does not include recreational vehicles and recreational vehicle park trailers; and

"(16) 'closed construction' means a method of manufacturing in which parts or processes are concealed and cannot be inspected at the building site without disassembly, damage, or destruction.".

EXTENSIONS OF REMARKS

WHO DIVIDED THIS HOUSE?

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. YATES. Mr. Speaker, the annual celebration of Independence Day by the Chicago Historical Society was marked this year by the eloquent address of Prof. John Hope Franklin of Duke University. Professor Franklin, whose work in the field of American history is acclaimed nationally and internationally, was given a rousing reception by the huge crowd gathered in Lincoln Park in Chicago on July 4.

Mr. Speaker, I am very pleased to attach Professor Franklin's perceptive speech for the information of my colleagues:

WHO DIVIDED THIS HOUSE?

(A Talk by Prof. John Hope Franklin of Duke University at the Chicago Historical Society, July 4, 1990)

The magnificent exhibition now at the Chicago Historical Society, A House Divided: America in the Age of Lincoln, is a tribute to the imagination, skill, and scholarship of those who are responsible for it. It is also a remarkable delineation of the factors and forces that caused the collapse of the Union in 1861. Finally, it raises the question, subtly but inevitably, of who divided this house, and why did they do it. Answers to these questions should provide a clear perspective on the nature and age of the division, as well as the circumstances that brought it about.

As soon as the Union was created, the fissures revealing a deep and almost permanent division became apparent. Despite the professions of equality set forth in the Declaration of Independence, neither Thomas Jefferson, its author, nor many, if any, of the signatories believed a word of it. In their almost reckless haste to pin every conceivable sin on King George III, the Patriots rejected the proposition that he was responsible for slavery, lest a victory on their part would leave them no reason for retaining the institution of human bondage. Their determination to maintain the subjugation and degradation of Africans was considerably greater than any belief they had in the universal rights of humankind. Thus, from the very inception of the independence movement, there was no disposition to transform that movement into a grand, overarching thrust in favor of human brotherhood and universal freedom as well as political independence.

During the War for Independence, the Patriots took every possible step to make certain that the institution of slavery would remain inviolate. The Council of War, led by George Washington, decided at the outset that black men should not be permitted to enlist in the Continental Army. The very flavor of the language banning them is instructive. Recruiters were not to enlist, the order read, any deserter from the British Army "nor any stroller, negro, or vagabond." Then, late in 1775 the British welcomed all Negroes willing to join His Majesty's Troops and promised to set them free in return. The colonists were terrified, especially at the prospect of a servile insurrection. And so the Continental Congress reversed its policy and grudgingly admitted blacks into the Continental Army.

Ironies abound as one searches for the origins of the House Divided during the revolutionary period. Here were the American patriots, struggling to throw off the shackles of colonial control, at the very same time that they were relentless in their determination to maintain slavery. Here was a major war effort, requiring all the resources that the Americans could summon. But as long as they possibly could, they avoided using the very important manpower resource of free blacks and slaves lest they be called upon to share the spoils of victory with a group they regarded as clearly unworthy. And it was that unworthy group, from which the Patriots withheld the most basic political and social rights, that pointed out the ridiculously inconsistent position taken by the Patriots in making distinctions based on color and race.

In 1777 a group of Massachusetts blacks told the white people of that fledgling state that every principle which impelled the colonists to break with England "pleads stronger than a thousand arguments against slavery." In numerous other instances blacks, slave and free, reminded the colonists that they were entitled to the same rights as other human beings. Massachusetts slaves told the General Court of Massachusetts that "they have in common with all other men a Natural and Unaliable Right to that freedom which the Grat Parent of the Unavers hath Bestowed equally on all menkind and which they have never forfuted by any Compact or agreement whatever * * *" Also in Massachusetts, Paul and John Cuffe, well-to-do black businessmen, embarrassed the white patriots by refusing to pay their taxes, since they were denied the privilege of voting. The brothers were promptly sent to jail. Obviously the whites wanted to have it both ways, and just as obviously the blacks were determined that they should not have it both ways.

What, then, can be said of the men who led the fight for independence that they declared on July 4, 1776? It can be said that they were building a house that was flawed from the very beginning. Two generations later Abraham Lincoln would say, "A house divided against itself cannot stand * * *. I believe this government cannot endure permanently, half slave and half free." Unhappily, no one made such a profound observation when the nation was a-borning in the late eighteenth century. Abigail Adams perhaps came closest to seeing that there was a problem when she wrote her husband John Adams during the war that there was something quite strange about their fighting to achieve a status that they daily denied to others. Consequently, only the few who had the insight of an Abigail Adams could possibly see the fissures that were already beginning to develop.

It was bad enough to issue a Declaration of Independence that made no reference to human bondage and fight a war that denied freedom for all. And yet, that is precisely what the Founding Fathers did. It was even worse to write into a new Constitution a number of provisions to protect human slavery, principles which would undermine the very foundation on which a free, rational social order could have been built. How can one even entertain the hope that a house will not be divided or can possibly stand when its organic law authorizes the continuation of the slave trade for at least another twenty years, asserts the right to count three fifths of the slaves for purposes of representation in Congress, and calls for the return and reenslavement of those poor, hapless souls who attempted to replicate in their own lives what the white patriots claimed exclusively for themselves.

The year 1787, when the Constitutional Convention met, was a time to speak out for the highest conceivable principles of human relationships and to express, beyond the glittering generalities set forth in the preamble, a commitment to decent, fundamental human relations. Such sentiments and such commitments are absent. There is no passionate advocacy of freedom by anyone from the South or from the North. No one uttered in behalf of the slaves the eloquent words of Patrick Henry, "Give me liberty or give me death!" There was no real debate on the question of whether the nation should be made up of free people or, indeed, whether the nation should be half free and half slave. The tolerance of the institution of slavery on the part of delegates from the South and the North was remarkable. And to make sure that those who wanted slavery would not be disappointed, the Constitution placed its imprimatur on the institution in every possible way. Meanwhile, Oliver Ellsworth of Connecticut gave additional assurances to the slaveholders by counseling his fellow non-slaveholders that they should "not intermeddle" with the operation of the institution of slavery.

If there was any doubt about how divided the house was in 1787, the year the Constitution was written, Philadelphia, the locale of the Constitutional Convention, would provide the scenario for a house divided in the most literal sense. In November 1787, two months after the Constitutional Convention completed its work, Richard Allen and his fellow black Methodists went to worship as usual in the predominantly white St. George's Methodist Church in downtown Philadelphia. This time, the sexton, carrying out a new policy of the church, directed the blacks to sit in the balcony, instead of along the wall on the main floor. Allen and his friends dutifully complied. During the prayer that followed, one of the trustees of the church, observing that the black worshipers were on the front row of the balcony, went up and pulled Absalom Jones, one of the black worshipers, from his knees and directed him to the last row. Obviously shaken by this peremptory command, Jones asked him to wait until the prayer was over. The trustee persisted and even called on other trustees to assist him in reseating the black communicants. By this time the prayer was over and, as Allen

later recounted the incident, "they all went out of the church in a body and they were no more plagued with us in the church." This led to the founding of the African Methodist Episcopal Church, the largest black group in all Methodism. In 1787 Philadelphia blacks and, indeed, blacks in other parts of the country, had a fair understanding of what few protections, if any, they enjoyed under the new Constitution.

By the time that Lincoln delivered his celebrated "house divided" speech in 1858, the most casual observer could see that the nation was literally falling apart. The Methodist, Baptist, and Presbyterian denominations had already split along sectional lines. The fugitive slave law of 1850, that looked toward a more effective enforcement of the Constitution's provisions against runaway slaves, merely exacerbated the situation and made the antagonists on both sides even more intransigent. Slaveholders became increasingly paranoid, fearing a holocaust fueled by radical abolitionists and executed by their own human chattel. For their part the abolitionists made up in zeal what they lacked in numbers; and their defiance of the law and the Constitution marked them in the eyes of some as disloyal subversives or worse. The new Republican Party, with no admitted adherents in the South, was essentially the creature of a divided house. The chances for a Republican victory in 1860 were slim indeed unless the venom of division that had infected the nation would also hit the Democratic Party; and that is precisely what happened.

As we look back on the tragic events of 1861-65, we may well ask, "Who Divided this House?" I offer this answer, after some considerable reflection. It was divided almost from the beginning, but surely as early as 1640, when colonial law and colonial officials began to make distinctions based on race. It was divided by the Council of War during the American Revolution that preferred an all-white military establishment that would not be fouled by the presence of "negroes and vagabonds." It was divided by the Continental Congress that refused to include in the Declaration of Independence a paragraph condemning the King for introducing and maintaining slavery in the colonies. (The King was not responsible for instituting and maintaining slavery, but such niceties did not restrain the colonists from accusing the King of other "crimes" for which he was not responsible.) The house was divided by George Washington who was at least as diligent in maintaining control over his wealthy wife's slaves as he was in prosecuting the war against Britain. It was divided by Thomas Jefferson who not only graciously acquiesced in the deletion of the antislavery clause from the Declaration of Independence, but also pleaded unsuccessfully with his protege, Edward Coles, not to set his slaves free and migrate to Illinois but to remain in Virginia and uphold the institution of slavery.

The House was divided by James Madison, the "Father" of the Constitution, who not only was responsible for the "style" in which slavery was written into the Constitution, but also participated in the enactment of the laws of the first and second Congresses that respectively barred blacks from becoming naturalized citizens and from becoming members of the militia of the United States. It was divided by all the other slaveholders and their accessories, who believed in the obscene incongruity that they could establish a prosperous social order in which they would benefit from the exploitation of a labor force without its consent and with no thought of just compensation for it. The house was divided by the theologians, pseudo-scientists, sociologists, and others who conjured up the most spectacular, if flimsy, defenses and justifications for the exploitation of human beings that by the 1850's had become a craze of the worst conceivable sort.

The house was divided by the articulate, non-slaveholding leaders at the Constitutional Convention and in subsequent years whose fears, like those of Benjamin Franklin, seemed to be limited to the possible Africanization of the country if too many blacks were imported, and by the likes of Oliver Ellsworth who thought that they should not "intermeddle" with the South and its institutions.

The house was divided by the uncompromising, unbending opponents of slavery who saw slavery as an evil, godless institution, and slaveowners as devils incarnate. The more extreme among them, such as William Lloyd Garrison, believed that the Constitution was a proslavery document, and nothing less than a real revolution could correct the defects of a government operating under such a document. On Independence Day, 1854, secure no doubt in the knowledge that he was protected by the First Amendment, Garrison burned the Constitution of the United States, shouting as it went up in flames, "So perish all compromise with tyranny!" There is serious doubt that this defiant act had any profound effect on the course of events. Indeed, James Russell Lowell was later to write of Garrison: "There's Garrison, his features very Benign for an incendiary."

All of the groups and individuals whom I have mentioned, and more besides, had contributed to the house divided that was in the gravest danger by the time Abraham Lincoln ran for the Senate in 1858. As one watches them closely, and as one listens to what they said and what they did not say, the responsibility for much that was happening in the 1840's and 1850's tilts toward the leaders of the last quarter of the eighteenth century. Even if they could not shape the future exactly as they wished or, more properly, in terms of the ideals they freely expressed, one gets the impression that they were much too comfortable to see what a few saw then and what many were to see later. There was too little effort to reconcile their institutions with the social and philosophical positions that they were taking. There was too little self-criticism, too much inclination to accept things as they were and to postpone dealing with the hard problems. It was this postponement that put Lincoln's generation in a bind and that led to the tragic events of the 1860's. If there is one lesson we should learn from this, it is to face up to our staggering problems now and not put them off for some unknowing, innocent generation to which it will cost infinitely more to solve the problems we leave than it would cost to face up to them and solve them now.

INTERNATIONAL DAY AGAINST DRUG AND ILLICIT TRAFFICKING

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. ACKERMAN. Mr. Speaker, I rise today to bring to my colleagues' attention a speech given by Richard Pruss, the deputy president of World Federation of Therapeutic Communities.

Mr. Pruss discussed the many ways in which the theraputic centers have helped those in need, and changed with the times in order to assist those people who are suffering from drug addiction. Mr. Pruss has helped to establish programs that help beat these addictions.

It is with great pleasure that I ask my colleagues to join me in congratulating Mr. Pruss and the theraputic community for their work to help those with drug addictions. I commend his remarks to all my colleagues.

INTERNATIONAL DAY AGAINST DRUG ABUSE AND ILLICIT TRAFFICKING

(Remarks of Richard Pruss, Deputy President, World Federation of Therapeutic Communities)

Thank you and good morning.

I want to start by bringing you the warm greetings of Monsignor William B. O'brien, the president of the World Federation of Therapeutic Communities. He is abroad, as he often is; I am sure many of you know that his therapeutic community program, Daytop Village, has inspired and assisted the growth of scores of successful drug treatment programs literally around the world.

He asked me to bring you a brief message this morning. Here it is:

"Today, more than ever before, the need to curb the spread of drug abuse and illicit trafficking on a global level is of the greatest urgency. This is a problem which transcends national borders and cultures, and it is through international cooperation that progress may best be achieved.

"As an NGO in consultative status with the Economic and Social Council of the United Nations, the World Federation of Therapeutic Communities is involved in efforts to reduce demand for illicit drugs and prevention of illicit use of drugs, providing treatment, rehabilitation and social reintegration to drug abusers. It is also concerned with research and development of appropriate treatment programs and technology for the least developed countries in the field of drug rehabilitation.

"WFTC believes that demand reduction programs are an essential element of any policy to fight drugs. We think that concerted efforts aimed at demand reductions, which would include realistic approaches to treatment of drug addicts, should offer a better perspective for improved drug abuse policies to be pursued both at national and international levels."

AN INTERNATIONAL ISSUE

"Demand reduction" is a natural and essential supplement to "supply reduction" policies. And, as Monsignor O'Brien's message makes clear, it is truly an international issue. Concern about drugs, drug-related crime and the social consequences of drug

abuse dominates American news media, public debate and public opinion. But the search for effective countermeasures is worldwide. And it has given rise to the growth of the therapeutic community, or "TC," in nearly 60 nations today.

In talking a little this morning about treatment and what seems to work—I myself am the president of Samaritan Village, a TC now serving 600 men and women in the New York metropolitan area—I will not be focusing on methadone maintenance or ambulatory or other programs, although they are valuable and effective methods. I will be talking primarily about the residential, drug-free approach and about the professional performance of American TCs. They deal with as many psychological, physiological, social and cultural variables as their counterparts abroad. But it is also true that American treatment professionals share common objectives and experiences with colleagues in Europe, Asia, Latin America and Australia.

Therapeutic communities for the treatment of drug abuse are only about 30 years old. They are still developing, in terms of size and service. There have been many changes over the past generation. The small, often isolated self-help group has evolved into the larger, more open, more broadly staffed program. Many familiar problems, such as dropout and relapse, have had to be addressed. We have had to refine programs steadily to make treatment measurably more effective.

At times, this has not been easy. We have, on occasion, been held to standards of performance that exceed those for other mental health programs. A specialist in the related field of alcoholism treatment has put it this way:

"If experimental proof were required for all administrative and legal actions, almost nothing would ever get done. Why . . . is there greater urgency in the demand for bottom-line, cost-benefit analysis in the relatively new field of alcoholism treatment than in other fields of medicine? . . . It may be that alcoholism is still not regarded as an illness . . ."

GROWTH OF A NEW PROFESSION

Very slowly, over the years, we have advanced beyond the theory that alcoholism is an indication of moral deficiency rather than a medical or genetic issue. Unfortunately, this discredited and damaging theory persists with regard to drug abuse and other addictive disorders. Nevertheless, we are making progress. We have persevered, developed and learned much in the treatment of drug abuse and the residential, drug-free approach is now at the point where we have a valid, increasingly urgent claim on public attention—and public resources.

In support of that statement, I will be referring in some detail this morning to perhaps the best brief summary of treatment results that is in print today: a collection of research findings called "Treatment Works," published by the National Association of State Alcoholism and Drug Abuse Directors.

Let me start with a brief excerpt from the text:

"The National Assocaition of State Alcohol and Drug Abuse Directors examined the evidence of more than 15 years of research on the effectiveness of substance abuse treatment. The evidence decisively demonstrates that alcohol and other drug abuse treatment is effective.

"Drug treatment reduces drug abuse, increases employment, improves psychological adjustment, decreases crime as well as other negative behaviors.

"The evidence also shows that public expenditures for substance abuse treatment are wise and prudent investments, despite the fact that substance abuse is a chronic condition which typically requires multiple treatment episodes for individuals affected."

THE RESEARCH RECORD

We can get more specific. For example, there is the Treatment Outcome Prospective Study, or TOPS, which tracked 10,000 persons involved in 37 programs in 10 U.S. cities starting in 1979, Methadone maintenance, outpatient drug-free and residential programs were studied. The NASADAD text summarizes the results this way:

"Findings from the TOPS study show that treatment results in substantial decreases in opioid and nonopioid drugs in all modalities. In fact, three to five years after treatment, less than 20 percent of clients in any modality were regular users of any drug, except marijuana."

We can get even more specific. An analysis of more than 44,000 treatment admissions over five years during the Drug Abuse Report Program, or DARP, found that "for residents in therapeutic communities, daily use of opiates declined from 100 per cent before treatment to 39 per cent in the first post treatment year and 26 per cent by the third year."

There is more. The same research found that "while more than 50 per cent of therapeutic community clients had been arrested before admission, the rate was reduced to 33 per cent in the first year after treatment and to 23 per cent by the third year. Employment increased among therapeutic community residents so that about two-thirds were gainfully employed after discharge.

PATTERNS IN TREATMENT

Those figures, and there are many others, are impressive. But they do not adequately stress the amount of time and effort, by both TC residents and TC staff counselors, involved in these results. It is hard, demanding and sustained work. And it often has to be repeated. According to the TOPS findings, final success in treatment, for the resident 30 years of age or more, may require up to 70 weeks of treatment, in up to five separate episodes. This is closely related to the high early dropout rates that residential programs experience.

This pattern is not, of course, unique to residential drug-free treatment. On the contrary, treatment of other addictive disorders—overeating and smoking, for example—is also characterized by dropping out and by relapse. And, I may add, by the efforts of treatment professionals to cut down the levels of both by improved individual treatment planning.

This is a fundamental point in understanding drug abuse treatment today. Just as there is no single, simple answer to interdicting drug production and shipment, there is no single, all-purpose treatment method. We have come to learn that, even within the residential, drug-free treatment speciality, it is essential to evolve and apply new, individualized services.

THE INDIVIDUALIZED SERVICE

A good example is my own agency's special service for combat veterans. We have been able to create more effective therapies for these men as we have come to learn more about Post-Traumatic Stress Disorder (PTSD) and its association with drug abuse. Similarly, our TC staffs have pioneered in development of special services for persons with AIDS.

Writing in the International Review of Psychiatry two years ago, Dr. Herbert D. Kleber of Yale's School of Medicine commented:

"Failure of one type of treatment, or relapse from a supposedly successful state, should not, therefore, produce despair but rather a continued search for a better treatment for the particular individual, keeping in mind two key tenets:

"1. The same individual may need different types of treatment at different stages in his addiction cycle or career;

"2. A group of drug-dependent individuals, even though seemingly similar in such aspects as type and length of drug use, may need very different approaches in order to be successful."

We keep these points steadily in mind. As a result, the chances for favorable outcome are better than good and improving.

The TC approach is not limited in effectiveness against one single drug, as methadone maintenance is against heroin. By focusing intensively on the individual's addictive behavior, and by offering alternatives, in a setting which stresses social responsibility, primary medical care, secondary education, vocational training and support of healthy functioning, it can provide a broad range of very practical help. And that is a healing mission on which both recovered abusers and degreed professionals now work closely and successfully together.

A few statistics and summaries cannot possibly tell the whole TC story—not in New York, not in Amsterdam, Stockholm nor Milan. Not in Bogota nor Buenos Aires. Not in Bangkok, Tokyo nor Canberra. But thorough and trustworthy data are vital, not simply to show where we are succeeding but primarily to show where we are failing. We can't develop more effective treatment otherwise.

This has been a very limited introduction to the modern TC. I hope it will encourage your interest in learning more. We would take pleasure in offering help.

Thank you. I'll be glad to answer questions you have.

AGRICULTURE SUBSIDY FORMULAS ARE OBSOLETE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. OWENS of New York. Mr. Speaker, during the deliberations on the Schumer-Armey amendment to the Food and Agriculture Resource Act of 1990 (H.R. 3950), I joined with a number of other colleagues in seeking to convince the Congress that the time has come to use common sense and make some reasonable changes in the farm subsidy program. Although numerous changes are needed in the obsolete subsidy formulas, the amendment proposed only one small correction. Farmers earning more than $100,000 in adjusted gross income would be dropped from the subsidy program and would no longer be eligible for a Government check of up to $50,000. Despite the fact that the authors of the amendment could prove that no

family farmers would be hurt; despite the fact that less than 3 percent of the present acreage would be impacted by the change; despite the fact that it was demonstrated that the people in greatest need within our country—the children, the homeless, and the unemployed—are not eligible for $50,000 Government checks; despite these and many other illuminating facts, the Agriculture Committee refused to accept the amendment. On a floor vote the committee was overwhelmingly supported by the Members of Congress. That vote sent a clear message to the Nation. It is obvious that we have learned nothing from the pattern of massive waste in military spending and the monstrous give-a-ways to the savings and loan crooks.

There was a clear statement to the electorate of America: "Let the people suffer but we have to do our deals." I offer the following as a concession speech to the powerful Agriculture Committee.

LET THE PEOPLE SUFFER

(A concession speech to the powerful Agriculture Committee)

Let the people suffer!
But we got to do our deals
When hungry babies holler
Make them swallow bitter pills.
We got to do our deals:
Family farmers are really quite rare
But lawmakers never despair
We let millionaires profit
From the myth that farmers are there.
Let the people suffer!
Subsidize fat farmers
Guarantee corrupt banks
Cut kids' anti-viral vaccinations
But we must maintain our tanks.
Let the people suffer!
They fully understand
Why all our foreign embassies
Are built to look so grand.
Let the people suffer!
Let the children feel the pain
Government can't do it all,
So leave the homeless in the rain.
Let the people suffer!
But we have to do our deals
Leadership lacking strong wills
Rule against creative minds
Then stumble into old binds
This budget is stale stew
Nothing is really new
Our current game
Is still insane
The present message
Is too much the same:
Let the people suffer!
But we have to do our deals.

CARL LENDER AND "POPPYSEEDS" BAKERY & RESTAURANT: PROTECTING THE ENVIRONMENT IS GOOD BUSINESS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. LEHMAN of Florida. Mr. Speaker, more and more businesses are discovering that concern for the environment is more than just a corporate responsibility or a public relations gimmick. It is also good for the botton line.

A good example is "Poppyseeds" bakery and restaurant in northeast Dade. Its owner, Carl Lender, was not content to conduct business as usual. He devoted considerable thought and planning to developing ways to improve efficiency, reduce waste, and maximize service to his clients and to his community. The results of his efforts are remarkable, and I would like to share with my colleagues an article which appeared in the Miami Herald which provides greater detail.

Carl Lender and his staff of "Poppyseeds" are to be commended for a job well done. I hope their example will demonstrate to other businesses that caring for the environment makes good business sense.

WINNING S. FLORIDA FIRMS INVEST IN THE ENVIRONMENT AND FIND IT PAYS BACK IN DOLLARS AND SENSE

(By Margaria Finchtner)

The stakes are as high as they get, and as South Florida's Eco-heroes will tell you, saving the Earth is everybody's business.

"I knew a long time ago the amount of garbage we were putting out was not acceptable," says Carl Lender, owner of Poppyseeds, the North Miami Beach Bakery and restaurant that took first place in The Miami Herald's Ecoheroes contest.

"I always knew that the foam and paper goods were filling up the landfills. Here I was, in charge of the decision-making for a business that was harming the environment, but there didn't seem to be a lot of alternatives, because we're a fast-food restaurant. . . . Up until two months ago, we were a paper-goods operation—foam plates, plastic utensils, foam cups and so on."

Then, the epiphany. Flying home from California recently, Lender found himself riveted by the efficiency of airline meal-service operations. "Everything came out on a tray," he says. "There were 300 people on this plane, and when they were finished eating, everything went back. They were getting their silverware back and their cups back. I started thinking about how we could put that to work in our restaurant."

Like virtually all the nearly 100 businesses and individuals who entered The Herald's Ecoheroes contest, Carl Lender decided he could no longer leave the task of saving the environment to others. He is not alone. The battle is huge. Nobody can fight it by himself, but everyone can do something.

Inspired by this spring's Earth Day and the recurring dismal news stories about oil spills, dying reefs, dolphin kills, forest fires, air and water pollution, washed-up medical waste, carcinogens, garbage and ozone holes, South Florida Eco-heroes like Lender are at work all over the place. They are saving, recycling, converting and reusing items they once thoughtlessly discarded.

They are incorporating a new consciousness into every aspect of business, like the Waterfront Market, a Key West produce, deli and gourmet foods operation, or offering rebates for old eyeglass frames they, in turn, donate to the Lion's Club, like Mr. I's Optical Boutique in South Miami. The two firms are second-place winners in The Herald's contest.

TEACHING KIDS

They are teaching kids the importance of environmental consciousness, or of donating the proceeds from recycling efforts to feed the homeless, or donating trees to beautify public places.

They're finding you don't have to start with giant steps to make a major change. Carl Lender, for instance, began by stocking up on reusable dishes, mugs and flatware and replaced the traditional fast-food restaurant, dump-bin garbage cans with a custom-made cart to hold empty trays bused from the tables by restaurant employees.

"Should I tell you how we're doing? We used to have four garbage pickups a week—four big Dumpsters full—and now we're down to two. We're saving $300 a week on paper goods, and I had estimated it would cost us about $150 in extra labor and chemicals and water for cleaning. It's turned out to be less than that."

In addition, Lender shaved more than $800 a month from the restaurant's electric bill by replacing incandescent lights with more energy-efficient compact fluorescent bulbs, turning off a refrigerator for the summer and installing programmable timers on the air-conditioning units. He also bought a crusher for recyclable cans, planted more foliage around entranceways and began sending computer, printer and cash register ink cartridges back to their manufacturers for reloading. Whenever possible, he now provides takeout customers with either paper or reusable plastic containers and is ridding the restaurant of its deluge of junk mail by returning unwanted items to their senders stamped "Please Help the Environment by Taking Us Off Your Mailing List. Thank You!!"

1,000 PERCENT

"We're doing 1,000 percent more [environmentally] than we were doing six months ago," says Lender. "I had one customer tell me that it makes her more comfortable to come in here, knowing what we're doing. All the good wonderful things you can do for the environment somehow have a way of paying you back."

As first-place Ecohero, Lender will receive for his restaurant an eight-foot mahogany tree from Native Tree Nursery in Goulds.

MEDCAID/MEDICARE 25TH ANNIVERSARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. DINGELL. Mr. Speaker, 25 years ago, Congress took a bold step on behalf of the people of this country: we passed legislation establishing the Medicare and Medicaid Programs. President Johnson signed these bills into law on July 30, 1965.

We had great hopes then, when as a nation we made a substantial commitment to the health care needs of our most vulnerable citizens—the elderly, the poor, and the disabled. We hoped for more, that one day we would be able to provide for the health care needs of all Americans. Now 25 years later we are still a long way from that goal.

We must remember that dreams do not come easily to fruition, neither then nor now. In 1943, my father, then a member of the Ways and Means Committee, joined with Senators Robert F. Wagner of New York and James E. Murray of Montana to propose that the Social Security Act of 1935 be amended to include a compulsory national health insurance plan financed by a payroll tax.

My father did not live to see Medicare and Medicaid developed and enacted, but many of the provisions of the Wagner-Murray-Dingell

bill were included in these programs. I was proud to work for those programs then, and I have been proud to work to expand, improve and protect them since.

The full scope of the ideas represented by the Wagner-Murray-Dingell bill are alive today in H.R. 16, the "National Health Insurance Act." This is not a bill I expect to see enacted into law as is, but I have introduced it every Congress since I have been here—18 in all—to remind myself and others of the direction we should be heading, and as a memorial to fine ideas which never die.

Today we find ourselves at a crossroads in American health care. We must be concerned about the continued viability of Medicare and Medicaid, and the fact that more Americans than ever have no access to health insurance. Difficult decisions must be made. Let us use this special anniversary to good end to clarify our common goals and purpose, and to face up to providing for our people one of the defining features of a civilized, democratic nation: equal access to quality health care for all.

FINANCING FOR U.S. EXPORTS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. FAUNTROY. Mr. Speaker, I would like to share with you an issue that has been an ongoing concern of the Banking Committee's Subcommittee on International Development, Finance, Trade, and Monetary Policy—availability of Government financing for U.S. exports. As chairman of the authorizing committee of the Export-Import Bank of the United States, the principal financing agency of U.S. exports, I have learned the importance of Government support, especially in the area of financing, to enable U.S. exporters to be competitive in the market abroad.

The following Journal of Commerce article titled, "Executives, Unions Seek Export Finance Boost," July 30, 1990, comprehensively covers the issue. As the article points out, the concern about export financing is reaching the higher levels of the corporate world as well as the labor unions. Ensuring adequate levels of financing of U.S. exports is not only a competitiveness question in selling American goods abroad, but it is also a question of keeping American jobs at home. Whether the issue is tied to aid credits competition or the general availability of standard export financing, I appreciate the fact that the lack of export financing in the United States is gaining more attention. I hope that we can work together to find an effective way to address the problems.

[From the Journal of Commerce, July 30, 1990]

EXECUTIVES, UNIONS SEEK EXPORT FINANCE BOOST

(By Rosalind Rachid)

NEW YORK.—U.S. multinational corporations and key labor unions have teamed up to press for more funds for federal agencies that finance trade with, and aid to, developing countries.

The push comes from executives at such companies as American Telephone & Telegraph Co., Caterpillar Inc. and General Electric Corp. Their reasoning is that a larger pool of government financing will allow U.S. companies to offer more competitive terms when bidding on big-ticket contracts in cash-strapped Third World markets.

"Since this is a buyer's market, you have to have financing. We're prepared to match our technology with anybody's, but in some cases our customers are offered deals they can't refuse," said Ronald E. Pump, a lawyer at AT&T's federal government affairs office in Washington.

China, for example, is said to be the recent beneficiary of a 30-year, zero-interest loan in a telecommunications contract with Sweden's Telefon AB LM Ericsson.

"Financing is the lifeblood of what we're doing. Bell Labs notwithstanding, it's often more important what (the U.S. Export-Import Bank and the U.S. Agency for International Development) do," Mr. Pump said. Bell Labs is the creative genius behind AT&T's telecommunications equipment.

"We won't win many orders without the best price," said Frank P. Doyle, a GE senior vice president. "But without competitive financing, we won't win any orders at all."

The Bush administration and Capitol Hill may abhor the practice of mixed credits, argued Caterpillar's Willam W. Beddow, manager of government affairs in the company's Washington office. But this practice, under which governments engineer loans and grants to subsidize the sale of their companies' goods overseas, is the rule rather than the exception in the current competitive environment.

Like the administration, "Caterpillar would prefer to compete based on price and quality. But unfortunately, we don't dictate the competitive environment," Mr. Beddow said.

"The United States should have the same tools available to its companies that are available to its competition. We clearly have to have access to similar forms of financing. The United States has been really far behind in offering the kind of export financing terms the rest of the world is offering. All sorts of concessionary financing is available," he said.

Competition is most cutthroat in capital equipment markets like construction, transportation, power generation, telecommunications and mining, U.S. executives say.

According to a recent Ex-Im Bank study, the United States loses some $400 million to $800 million a year in exports because its companies cannot match the mixed credit and other concessionary financing packages offered by their rivals in Western Europe and Japan.

Private surveys put those losses at $2.4 billion to $4.8 billion annually.

And the losses are long-term, said Howard Lewis, vice president of international economic affairs at the National Association of Manufacturers.

"Once you lose a capital goods project, you've lost it for a while. It's not the simple-minded analogy of 'Win a few, lose a few,'" he said.

"That may be good in Economics 101. Capital projects are more analogous to buying a house. You're making a major commitment, and the factors involved are more complicated than the factors involved in buying a box of cereal," according to the NAM vice president.

"It's even more difficult to get back into that market later on because the people will be used to the equipment (of your competitors)," be added.

At stake for the labor unions, meanwhile, are the jobs saved or created every time a U.S. company wins a contract to supply heavy equipment to a foreign country.

"It's not only an income-trade issue, it's a jobs issue," declared Bruce B. Talley, executive director of the Coalition for Employment Through Exports, also based in Washington.

"We are trying to acknowledge that resources are limited. But, on the other hand, these are resources which, if employed correctly, generate income and jobs for the U.S. economy," he said.

According to the U.S. Commerce Department, merchandise exports accounted for almost 7 million jobs in the United States in 1989. That same year, about one in six U.S. manufacturing jobs was probably due directly or indirectly to exports, Commerce said.

"Jobs tend to follow financing. A U.S. company may get a contract abroad. If the company has the capability to source for that contract from plants around the world, it will tend to source from the plant (in the country that provides) the best financing. So from a public policy point of view, it would make sense to source in the United States to keep the jobs in the United States," said AT&T's Mr. Pump.

The Coalition for Employment Through Exports was formed in 1981 when the Reagan administration "tried to close down Ex-Im Bank," as one company executive puts it.

It is considered the standard-bearer for the lobby to increase funding for Ex-Im Bank, AID, the State Department's Trade Development Program and multilateral banks such as the new European Bank for Reconstruction and Development.

It represents a unique mix of labor unions, including the International Brotherhood of Electrical Workers, the Machinists Union and the Seafarers' Union, and major exporting companies.

Maritime employment could gain from cargo preference arrangements linked to tie-aid and mixed-credit programs.

Also affected by the competitiveness of U.S. capital-goods exporters, say coalition members are the small and medium-sized companies that serve as subcontractors for major corporations.

For example, subcontractors supply 65% of the manufacturing content of a GE jet engine, parts worth 45% of the engine's sales dollar, according to Mr. Doyle.

The biggest hurdle, said Mr. Talley, is convincing the Office of Management and Budget, and the Treasury Department to some degree, to appropriate more money for export financing.

"Unfortunately, they have such a hemorrhage of the budget deficit situation that it effectively (keeps them from reaching) a sound trade policy in this very finite area. They basically are unable to acknowledge the situation because that situation would require resources. And they are coming from the premise that there are no additional resources," he said.

REMARKS BY HYMAN BOOKBINDER AT THE WORKMEN'S CIRCLE 90TH ANNIVERSARY CEREMONY

HON. GARY L. ACKERMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. ACKERMAN. Mr. Speaker, I rise today to bring to my colleagues' attention to a stirring speech, given during ceremonies marking the 90th anniversary of the Workmen's Circle, by a man we all know, Hyman Bookbinder.

The Workmen's Circle has represented the views of the Jewish Community through some of the most difficult periods that Jews have been forced to experience. The Holocaust, Stalin, and continued persecution of Jews are all problems that this organization has been forced to tackle.

The Workmen's Circle is now concerning itself with the dramatic changes in Eastern Europe and the Soviet Union, and the disturbing rise in anti-Semitic sentiment.

I present Mr. Bookbinder's remarks to my colleagues and hope you will join me in honoring him and the Workmen's Circle for their countless good works.

KEYNOTE ADDRESS OF HYMAN BOOKBINDER

Yes, indeed, I have been in the Workmen's Circle family literally all my life. And that association has shaped my life as much as, if not more than, any other influence. Born into a world that soon exposed me to class and race conflicts, to depression and insecurity, to war after war, to the Holocaust and terrorism, but born also into a family and Jewish culture that exposed me to thoughts and dreams of a better world, a more peaceful world, a "kinder and gentler" world, a more just world, I soon acquired a compulsive interest in public affairs. I am indebted to this institution for giving me that early direction, and, more importantly, for itself staying the course throughout these many years.

On this 90th anniversary, it is natural that we note the end of a decade, the approaching end of a century, and of a millennium. But, of course, historic developments are not determined by the happenstance of our decimal system. The end of a decade or century has no special significance in its impact on the environment, or the struggle for justice, or peace among nations. But such anniversary moments do serve a useful purpose in that they prompt a look back and a look forward, a basis for evaluating, and for speculation about the future.

The history of the Workmen's Circle is, of course, congruent with the history of the 20th century. And what a century it has been! A century, it is interesting to note, that started before radio and much before television, before Zerox and FAX machines, before electric typewriters, to say nothing of personal computers, before automobiles and airplanes, before the Salk vaccine and antibiotics, before we dared even dream of a man walking on the moon. But, a century too of horrors, a century filled with names like Hitler and Stalin, Eichman and Idi Amin, with places like Munich and Auschwitz, Hiroshima and Selma, Vietnam and Biafra. A century with altogether too many reminders that incredible advances in technology, in communications, in individual human achievements, do not guarantee improved relations among peoples and among nations, that starvation and tyranny and terrorism still await more effective and humane responses from the world community.

The Jewish people have been a part of this very busy 20th century. But Jewish history itself these last 90 years has surely been as momentous as that of history generally, and as momentous as any 90 year period in our people's history. Two words alone make this a watershed period in Jewish history—Holocaust, Israel. It is no exaggeration—and no idle rhetoric of a keynote speaker—to assert that in these 90 years the existence of Workmen's Circle made a difference, a difference in the quality of American society generally, in the welfare of American Jewry, and in the security of Jews everywhere in the world, especially in Israel and the Soviet Union.

All of this became startlingly clear to me as I was preparing for these remarks. I had asked Harold Ostroff to send me some background materials, to remind me of some early Workmen's Circle history. In a few days, Walter Kirschenbaum sent me two very precious volumes—the 40th anniversary picture book with text, and the history written by Judah Shapiro on the occasion of the 70th anniversary. I would make both of these volumes compulsory reading for every current and future member. And I would love to see every one of our children and grandchildren encouraged to read them too. Not to brag about the organization, but to help them understand our glorious, if too often painful, history as a people—to make them feel proud of the men and women who came to these shores at the turn of the century, and since, with nothing but their dreams and their pride—and in a couple of generations produced a Jewish community that could point not only to the tremendous individual achievements of its people in the arts and the sciences, in music and literature, in business and public affairs, but a concerned and effective force in America for the common as well as the Jewish welfare.

To read the history of the Workmen's Circle is to read not only of the passions, the agonies, and the glories of these years, but also to recall the great debates and conflicts of our times. My major impression from this review, one that should give all of us great pride and satisfaction, is that this organization was right on every major issue of these times. It had the right instincts and it made, with relatively few and minor exceptions, the right judgment calls. It knew when and how to change as conditions warranted, but it never abandoned those basic principles and purposes which gave it birth.

Time does not permit a discussion of all those principles and purposes, or all the critical judgment calls that had to be made. But as we try to identify the challenges we face into the Nineties and into the 21st century, it may be helpful to identify some of the major policies embraced over the years that continue to have relevance today.

From its very inception, Workmen's Circle understood that its members' welfare depended not only on the impressive range of programs and benefits it initiated for its own operations, but required public policies that would protect all citizens against economic insecurity, intolerance, and repression. It was natural for it to be a firm and trusted ally of the labor movement. There could be no Jewish welfare, it insisted, without the general welfare. And it helped labor understand that there could be no real security for organized labor without economic security for society generally.

In the nineties, and beyond, Workmen's Circle is challenged to help define the proper balance between public and private responsibilities for the social welfare. For about half of its first 90 years, most of its members advocated democratic socialism—or social democracy—as the kind of society which would best protect the people's security and freedom. While abandoning the centerpiece of orthodox socialist doctrine—public ownership of the means of production—most of us have not abandoned the essence of our early commitment and belief in a society that accepts responsibility for the people's welfare. Along with that commitment, however, is our unyielding belief in and insistence upon democracy. Our proudest claim through all these years is that we refused to believe that the road to security requires a compromise with democracy. We fought the communists in our own ranks, in the community generally, and fought Communist tyranny in every part of the world.

So no group anywhere has more reason for exhilaration over the electrifying events in Europe this last year. This week's TV coverage of Moscow's food markets documents the fact that communism has meant neither freedom nor security. But as we face this next decade, we must do more than rejoice over the demise of communism. What should be the American policy, and the Jewish policy, to make the transition to democracy one that will survive and prosper, one that will not revert to a new form of terror and intolerance? How do we prevent further gains of virulent religious fundamentalism, including alas, such rise in our own Jewish ranks? There will be difficult judgment calls to make. Even as we meet here tonight, the American and Soviet presidents are engaged in summitry. How shall we answer a question that only a year ago even a TV late-nite comic would not have dared ask: How much should America do to keep a Soviet president from being toppled? How many of us feel absolutely sure we know exactly how Gorbachev should deal with Lithuania, or with Yeltsin?

Our rejoicing over the apparent trend to democracy, unhappily, is seriously tempered by our concerns over the ugly resurgence of anti-Semitism in so many places—abroad and here at home. Most ironic is the explosion of vicious anti-Semitism in the Soviet Union that was made possible by the otherwise welcome development of glasnost. The gruesome accounts of cemetery desecrations all over Europe, the senseless anti-Jewish incidents on college campuses and synagogues here at home, these and other recent abominations provide us with sobering reminders that Jews remain a target, a scapegoat for the sick and the vicious everywhere.

We are now challenged to apply the lessons we learned during and since the Holocaust. We must always try to be prudent and sophisticated in fighting those who would destroy us but prudence must not mean silence, and it must not tolerate indifference by authorities. We have every right—and every obligation—to insist upon immediate and forthright action by all government and religious and community leaders to condemn and stamp out anti-Semitism wherever and whenever it appears. But we have a reciprocal obligation, to help stamp out racism and bigotry and discrimination against any people, any group, as we have done over the years.

Perhaps the most rewarding result of my reviewing Workmen's Circle history was to be reminded, contrary to the rarely-chal-

lenged allegation, that there was indeed much Jewish awareness of and screaming out against the rise of Hitler and nazism, and of the heinous crimes being committed and planned. The record of Workmen's Circle leadership in this outcry, as early as 1933, is one that should make us all feel proud.

But the horrible truth is that as a government, as a community, as a nation, we could have and should have done much more. I reject and resent all the finger-pointing and mea-culpas that keep filling up volume after volume. I feel it is more useful to ask what we have learned from that terrible chapter, what the death of six million of our people has taught us about how better to safeguard the security of today's six million beleaguered Jews—yes, six million, the four million in Israel and the two million in the Soviet Union.

In the sessions that follow, this convention will be hearing from knowledgeable and sensitive speakers on these two priority concerns of the Jewish community, Israel and Soviet Jewry—two issues more closely linked together than ever before, as the Arab world seeks to stop the flight of Soviet refugees to Israel. But permit me to make a few comments, from my particular vantage point.

I have mentioned the six million Jews consumed in the Holocaust, and the six million Jews now struggling for freedom and security. Now let me talk about another six million—the six million of us Jews in the United States. Two of every five Jews in the world today are Americans. Is there more that we can and must do for the other three?

We have used our collective strength, as permitted and encouraged by our pluralist, democratic system, to develop massive political support both for Israel's security and economic needs, and for the right of Soviet Jews to emigrate. The Jackson-Vanik amendment, and the 3 billion dollars a year for Israel are examples of our effectiveness. Difficult and uncertain as the outlook may be today for these six million beleaguered Jews, can there be any doubt that American Jewry has played a major role in protecting them and providing some hope for a brighter future, not only in generous direct assistance but through sophisticated political and community relations efforts that have resulted in favorable governmental policies?

If only we had developed these skills by the early and middle thirties! The principal lesson we must all learn from the Holocaust experience is that we had failed to develop the political know-how required to protect Jewish interests. I have often asked myself the heart-breaking question—and some of you may have heard me ask this before—if we had had the ability—as we now have on every critical issue affecting the security of Israel or the right to emigrate—to muster the votes or the signatures of 90 or 95 Senators, or 350 to 400 Congressmen—to demand of President Roosevelt, for example, that he make available one single plane in 1943 or 1944 to bomb the railroad tracks to Auschwitz, how many Jewish lives might have been saved?" We now know that every single day about 10,000 Jews were being killed in that single death factory. If operations had been suspended for even a single week, some 70,000 Jews might have been saved. A month's delay could have saved 300,000 Jews.

So we have learned from that experience. We have developed an effective, sophisticated American Jewish political influence. Let our enemies decry and defame that influence. We decline without apology or embarrassment—Jews have interests. We intend to protect them—responsibly and with undiluted concern for the general welfare.

All of this is true—and Workmen's Circle has done its share in this success story. But I hasten to warn you not to take anything for granted, and not to feel too pleased with ourselves. As one who has been on the political frontlines for Jewish interests for almost a quarter of a century, I want to make this public confession: It isn't that we have been such terrific salesmen or lobbyists; it is, above all, because we have had a terrific product to sell.

We helped America understand that Jewish history and Jewish pain gave Jews the right to a Jewish homeland. We helped America understand that Israel shared with us a firm commitment to freedom and democracy and a craving for peace—the only country in the Middle East with such credentials. We helped America understand that a secure Israel was in America's own self-interest. We helped America understand that the struggle for free emigration in the Soviet Union was a basic human rights issue and a challenge to the brutal communist system.

When I refer to "we," let it be understood that "we" means six million Jews, including children—a large Jewish community by Jewish standards, but we are less than three percent of the American population. We could not and did not develop American support for our cause by our numbers alone. We had to have allies, and we have had them. We have had them, and can have them in the future only if two things remain true:

1. The basic case for Israel must be persuasive and consistent with American values.

2. We must show reciprocal concern for the legitimate concerns of other groups in our society. We must demonstrate every single day that we not only quote Hillel about not being only for ourselves, but that we practice what we preach.

On the first of these requirements, let me put it bluntly. Our case for Israel remains a powerful one, but it is not as powerful as it has been or ought to be. Yes, there has been some erosion in support for Israel. There are questions being asked, among our best friends, about whether Israel is sincere about resuming the peace process, about whether the intifada is being fought in the best and most humane way, about whether cynical politics on all sides is preventing the formation of a stable Israeli government. And questions are being raised about whether the reduced Soviet threat to the United States makes Israel a less vital ally, and whether our own budget crisis doesn't justify a review of our very generous aid to Israel.

Tomorrow morning, you will be discussing these and related questions. Tonight, I wish merely to say this: Unless more impressive and credible answers to these questions come soon from Israel and from Israel's friends, the quiet erosion of support and friendship for Israel will continue. Now, please do not misunderstand me. I believe that even these questions do not seriously undermine the overwhelming case that all of us can go out and make for Israel, reminding Americans that the plight of the Palestinians should be charged to historic Arab failures and intransigence, not to Israel's. If Israel hestitates to take further risks for peace, it is because the Arab world has yet to convince the Israeli people that it has stopped dreaming and planning to destroy the Jewish state. The news from Baghdad this very week says it all. Yesterday's abortive action by a PLO group was clearly designed to inflict major devastation against large numbers of Israeli civilians.

We have the obligation to tell this story. But we also have the obligation to deal honestly and frankly with our Israeli friends, to tell them what troubles us, to urge actions that we feel will firm up American support but would not jeopardize its security. I do not believe Israel need suffer from such frank talk. In Israel itself there is open discussion about alternatives. We have the right and the obligation to participate in these explorations, understanding, of course, in the final analysis the Israelis must be trusted to make their own decision. What concerns me is not our right to speak up, but whether our suggestions are right.

Not since the very birth of the new state of Israel has it been more important that Israel have friends and supporters, because it must now be in a position to meet the historic opportunities made possible by the mass exodus of Soviet Jews. Can there be any doubt that the Jewish people are, this very day, experiencing one of the great events in Jewish history? As many as two million Jews—half as many as now live in Israel—may, over the next few years, be on their way to Israel. Each of Israel's current challenges—finally achieving peace with its Arab neighbors, and providing refuge for potential millions—would be enough to tax the ingenuity and capacity of any people. But to have to meet both challenges simultaneously is more than any people should be called upon to do.

For American Jews, this challenge is also a historic one. Not all the Soviet Jews are going to Israel. Many are coming to the United States. We must be ready to open our hearts, our homes, and our pocketbooks to make their transition here a positive one. And we must be determined to provide whatever funds and political support Israel needs to make this historic Aliyah to Israel another shining chapter in Jewish history.

So the challenge to Workmen's Circle for the nineties is indeed a full one. Israel, Soviet Jewry, anti-Semitism abroad and at home. And we dare not be absent from the continuing struggle to help complete the job of achieving genuine civil rights for every American, for a renewed and even more effective war on poverty, for health care availability to every American, for a real war on drugs and crime.

Trouble and problems and fears abound. But when has this not been true for the Jewish people? We never permitted these, however, to wipe out our hopes, our faith, our glorious achievements. We must not despair. We have, and we can again, overcome.

I read in a recent issue of the Foward a report on this year's Third Seder of the Workmen's Circle. In her moving account of the 40 young children singing Yiddish songs that brought tears to many of your eyes, Mashe Leon recalled the words of the song "Mir Kumen On—we are here—we have arrived—we will go on . . ." As I read those words, I couldn't help recall what has probably been the most poignant moment of my 40 years of Washington life. As a member of the President's Commission on the Holocaust, I was present at a White House Yom Hashoa ceremony. The President was there. The Secretary of State was there, plus other Cabinet members. Israel's ambassabor was there. Senators and Congressmen crowded

the East Room. And our chairman, Elie Wiesel, was addressing this assembly of America's political leaders. The Jewish people will go on, he declared, and then he started quoting—in Yiddish—the words of Leivick's great poem, Eibig—(forever). Yiddish was being spoken by a Holocaust survivor in the residence of the president of the most powerful nation on earth! That alone was enough to bring, then and now, goosepimples and terms—but what words he recited:

Die Velt nemt mich arum mit shtechiker hent * * *
Un trugt mir zum feier, un trught mir zum sheiter.
Ich bren un ich bren, un ich ver nit farbrent,
Ich heib zich oif vider, un shpan avek veiter.
The world surrounds me with it thorny hands,
And carries me to the fire, and throws me to the flames.
I burn and I burn, but am not consumed;
I rise once again, and go on my way.

For nintey years now, the Workmen's Circle has been in the battle to keep the flames from consuming us—but more than that, it has contributed to a thriving, confident American Jewish community—and to an American society in which such a White House ceremony can take place.

And now we look to the future. Ten years from now, the 20th century will give way to the 21st—and the Workmen's Circle's first century will give way to its second. On a personal note, I'm happy to tell you that I am in good enough health to ask now for an invitation to join you at the Contennial convention! I'm sure that many of you will be there. But I am realistic enough to know that I will probably not be present at the momentous event that will come 20 years after the centennial. So I now say to my beloved Arbeiter Ring—with confidence that it will be alive and kicking—Biz Hundert un Zwanzig—and nusch amul hundert un zwunzig.

A sheinem dank—Thank you.

THE DAVE AND MARY ALPER JEWISH COMMUNITY CENTER

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize the contributions that the Dave and Mary Alper Jewish Community Center [JCC] has given to the south Florida area. The Dave and Mary JCC has continually served this area through its community and civic efforts. Jewish community centers have been serving the Kendall area since 1973. Through the effort of staff and volunteers, innovative programs have been created to meet the community's needs and have helped to make people's lives fuller.

A "new" Dave and Mary Alper Jewish Community Center has just been opened in June 1990. Located in Miami, FL, the new Dave and Mary Alper JCC offers programs and activities suited for everyone. The JCC has a health and fitness center featuring swimming pools, weight equipment, gymnasiums, playing fields, tennis, and volleyball courts. The center offers a range of activities from early childhood services, teen network camps, and adult services to special programs, health and fitness facilities, and senior adult activities.

A Black Tie Gala Dinner Dance honoring Mikki and Morris Futernick will be held on Saturday, September 8. The dinner celebrates the grand opening and dedication of the new Dave and Mary Alpers Jewish Community Center. The dedication will take place on September 9 and will be attended by community, religious, and government leaders.

The Dave and Mary Alper Jewish Community Center is a beneficiary agency of the Greater Miami Jewish Federation, the United Way of Dade and a member agency of the Jewish Welfare Board. In fact, the center has made funds available in order to offer scholarships to those unable to pay the program fee. It is the intention of the Dave and Mary Alper JCC that no one be denied membership or accessibility based on financial need.

I would like to especially commend the JCC's board of directors for their outstanding efforts in implementing a common place where Jewish culture, tradition, and community can be fully enjoyed. The officers are: Richard N. Bernstein, president; David Blumenthal, vice president; Glenda Krongold, vice president; Marcia Reisman, vice president; Rick Schuster, vice president; Freda Greenbaum, treasurer; and Vicki Busch, secretary. The board of directors are: Gail Appelrouth, Tod Aronovitz, Robert Berrin, Michael Bittel, Felix Blank, Jeri Boschnick, Paul Breitner, Shelly Brodie, Sydney Carpel, Robert A. Cohen, Jeffrey Ducker, Karen Eisner, Steve Feldman, Mary Goldstein, Phyllis Harte, Marilyn Herkowitz, Cara Leibowitz, Susana G. Levine, Norman Lieberman, Susan Metsch, Judith Mezey, Phyllis Miller, James Q. Nolan, Jr., Jodi L. Orshan, David C. Pollack, Herschel Rosenthal, Jay C. Rossin, Estelle Segal, Laurel Shapiro, Ruth Shere, Gerry Shipner, Leonard Sklawer, Joseph A. Smith, Shelley Sokol, Barry White, Denise Wolpert, Guri Yavnieli, Rosalind Zacks, and Dror Zadok.

TRIBUTE TO CHUCK MOORE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. CLINGER. Mr. Speaker, I would like to take this opportunity to recognize Mr. Chuck Moore, a constituent of mine from Rural Valley, PA.

Recently Chuck was honored by the Rural Valley Fire Department for his many contributions throughout his 50 years of active service, including the 35 years he served as fire chief.

Chuck's dedication to the Armstrong County area and the people of its community date back to April 24, 1940 when he first joined the fire company, and his continuous service since then clearly demonstrates how deep his commitment runs.

In addition to his active fireman service, for which he received both the Rural Valley Fire Co. Service Award in 1978 and the Rural Valley Fireman of the Year Award in 1981, Chuck has also been a delegate to the Armstrong County Fireman's Association for the Rural Valley Fire Co. for 31 years. He served as the association's secretary/treasurer for 20 years, and was the association's fire school director for 17 years. Mr. Moore was the 14th president of the Firemen's Association from 1952–53, and received the Association's Service Award in 1978.

Chuck was also a delegate to the Firemen's Legislative Federation of the State of Pennsylvania, and served as its director for 15 years. In 1982, Chuck was honored as the Western Pennsylvania Firemen's Association Fireman of the Year, and was a member of the association's board of control, its awards committee, and chaired its emeritus committee.

Chuck served as the Pennsylvania State Fire Warden for 32 years and is now the permanent warden. Throughout his career, Chuck Moore has answered more than 850 calls.

In addition to his public service, Chuck is the owner of Moore's Food Market in Rural Valley which has been in operation for 41 years. He is also a member of St. Michael's Episcopal Church and Pleasant Union Lutheran Church.

I am proud to recognize Chuck Moore for his outstanding accomplishments and his extraordinary dedication to public service in Armstrong County. We in the 23d District are fortunate to have an individual like Chuck in our midst to serve as a shining example of what community service is all about. I congratulate him for his incredible 50-year tenure as a Rural Valley Fireman.

HOW WILL THE WORLD REACT TO JAPAN'S NEW ASSERTIVENESS?

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. BEREUTER. Mr. Speaker, the following is the excerpted version of an excellent editorial in the July 21, 1990 edition of the Economist. This Member encourages his colleagues, and Americans generally, to read these editorial comments on a very sensitive but important issue. If the leadership of the Japanese Government and the Japanese people understand that these editorial comments are widely read and perhaps widely accepted, then changes and reassuring actions, policies, and statements can be taken in Japan and noted in the world community. Such actions could go a long way toward relieving existing and growing concern in the Congress and in the world community about the potential results of Japan's new assertiveness.

[From the Economist, July 21, 1990]

JAPAN UNFURLS

To the losers have gone the spoils. Like Germany, the other aggressor flattened in 1945, Japan has re-emerged two generations later as a powerhouse in the new world.

In many ways the 1980s were to Japan what the 1920s were to the United States. It was a decade in which Japan quickly turned into a net creditor (to the tune, so far, of more than $300 billion) and became the world's biggest provider of liquidity (at

times like the October 1987 stockmarket crash). Less happily, it too went through a sharp inflation in land and share prices that could yet end in a financial debacle. More impressively, its industrialists ventured out—so successfully that in carmaking, at least, and perhaps in other industries as well, Japanese multinationals are likely by 2000 to be the only ones with real heft in all three of the world's great markets, North America, the European Community and East Asia.

Japan has come out in other ways, too. It has just surpassed America as the biggest donor of foreign aid ($9 billion last year). For 15 years its military spending has been going up by 5% or more in real terms each year. Depending on the exchange rate you use, this has already made it the world's third biggest defense spender—with more to come, as similar increases are due to continue for years.

While only a shock of the size which drove a reluctant America into its great-power role of 1941-50 could rush Japan into a similar feat, the country is no longer the political pigmy of legend. Under Mr. Toshiki Kaifu, its prime minister for just a year, it has been adopting diplomatic stances that would earlier have made it blush. At the summit in Houston, Japan went its own way on aid to the Soviet Union (adamantly against, until four Japanese island groups occupied by the Russians in 1945 are returned) and on the resumption of loans to China (for). Japan is making a place for itself alongside Germany in the top rank of powers. But it will have a harder time of it, for two reasons.

The first is that Asia is a more complicated and dangerous place than Europe. In north-east Asia the superpowers are still frozen in cold-war postures, deploying large nuclear-armed naval and air forces. China, poor, turbulent and with nuclear weapons, glowers at anybody who threatens to cross its path. The Koreas, Japan's next-door neighbors, are still enemies of each other and instinctive antagonists of Japan. The peace among these strenuous contestants has been more or less kept for 40 years by the United States, Japan's nuclear protector. In the absence of anything like a NATO or an EC to help contain Asia's jostling giants, a continuation of the Japanese-American alliance for another 20 years or so offers the best hope of peace and stability in the region.

This is the second reason that makes Japan a harder case than Germany: it is more deeply mistrusted. It is not just that Germany has confronted its past more squarely, apologised for it more clearly, and thus buried it more reassuringly than Japan. The Japanese still appear, to themselves and to their neighbours, as too singular a race to offer an example and inspiration to other people. Germany is at least groping towards a common European ideal. Japaneseness is a creed which, by definition, has little appeal to non-Japanese.

Why should the Japanese have to worry about this? Stifling though their society is, it surpasses western societies in many ways: in fostering a sense of duty to other members of the society, in creating wealth and educating its children well, in running the only big cities in the world where a woman can still feel safe walking alone at night. The trouble is that Japan can no longer live just for itself. Britain and then America led the world and guaranteed its trading system by opening themselves to the outside, and in return offering the outside a few broad ideas about how life ought to be organised. If it is to become the leader of a yen zone, as opposed to simply issuing its money, Japan will have to do something similar.

Japan did indeed open itself up to outsiders' goods and ideas in the 1980s. That relaxation will continue. If the Japanese can also prove that they stand for universal values, not exclusive ones, they will find it easier to persuade the world that their new assertiveness is to be welcomed. Their ability to do this will decide, more than anything else, how peaceful and prosperous post-cold-war Asia will be.

EASTERN AIRLINE INDICTMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. WEISS. Mr. Speaker, recently, some dark clouds filled the friendly skies. According to a 60-count indictment by a Federal grand jury, Eastern Airlines routinely ignored vital repairs and maintenance and then falsified records to make it appear as if the work had been performed.

Fortunately, no accidents occurred from the alleged violations. Yet, if true, Eastern needlessly put thousands of passenger's lives at risk. Many of the charged violations occurred at major airports, such as New York's La Guardia Airport. This facility serves national and international flights as well as being a principal airport for many of my constituents. At risk were passengers not only from New York City, but from around this Nation and world, if they rode on Eastern. If found guilty of the charges, Eastern's employees were playing roulette with the lives of thousands of people.

While I mean no harm to what is an ailing airline, there is no excuse for Eastern's conduct. The indictment raises several pressing questions about airline safety in this country. Did airline deregulation fuel carelessness and negligence in air safety measures? Are the surveillance of air safety measures by regulators adequate?

In 1985, concern over aviation safety ran at crisis proportions when 2,000 people were killed around the world in airplane accidents. To beef up airline safety measures, Congress passed, and I supported, legislation to make it a criminal violation to intentionally violate air safety reporting requirements. The bill was signed into law last fall. if Eastern is found guilty of the charges, the prosecutors in the case should not hesitate to request the maximum fines and sentences allowable under the law.

The charges of Eastern's negligence are not comforting to already concerned airline passengers. I am encouraged that Eastern has pledged to improve its maintenance procedures. Its long tradition of transportation services are invaluable to my district and to the Nation. Air travel is still safest mode of transportation in this country. I trust that Eastern will help maintain that safety record and keep the skies safe.

IN COMMEMORATION OF THE DADE COUNTY PARK AND RECREATION DEPARTMENT AND THE ZOOLOGICAL SOCIETY OF FLORIDA

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, it pleases me today to honor the Dade County Park and Recreation Department and the Zoological Society of Florida. Both organizations have contributed greatly to the Florida community. These organizations are interested in implementing innovative programming and are also genuinely concerned about improving the cultural atmosphere for their fellow Floridians.

The Dade County Park and Recreation Department is responsible for beaches, marinas, lake and pool areas, and hundreds of individual park sites. Aside from everyday management, summer programs, special camps, and cultural activities are also managed by the park and recreation department. The hard work and dedication that the Department has invested was nationally recognized in 1987 when the Metro-Dade County Park and Recreation Department was awarded the National Gold Medal for superior performance in park development and programming for the second time in seven years.

The second organization that I would like to recognize is the Zoological Society of Florida. This private, nonprofit organization established in 1958 is the founding force behind the creation, growth, and continued development of Miami's Metrozoo. The society has over 70,000 members committed to the preservation of endangered species as well as funding special projects for the zoo, such as new exhibits, research, and animal acquisitions.

Both organizations are cosponsoring a new Metrozoo exhibit titled "Asian River Life." With the outstanding contributions of both of these groups, the new "Asian River Life" exhibit, to be unveiled on August 3, 1990, should be indeed fascinating. This fascinating exhibit is a first in the area of a multilevel, mixed species, underwater showcase featuring animals that would regularly coexist in a natural habitat.

The "Asian River Life" exhibit will house Asian small-clawed otters, Malayan water monitor, clouded leopards, muntjac and blood python. Also, there is an environmental immersion exhibit which gives zoo visitors the feeling of sharing a Southeast Asian riverbank with the exhibit wildlife. With its fog, jungle sounds, tropical plantings, and a waterfall, the exhibit creates an atmosphere which makes viewers feel like they are actually in the animals' environment.

So it is with great pleasure that I thank the entire staff of the Dade County Park and Recreation Department, its director, William R. Bird and Charles Pezoldt, deputy director; as well as the individuals who form the Zoological Society of Florida, for their support of the Metrozoo and other worthy causes. The officers of the board of directors for the Zoological Society are Sanford B. Miot, president; Robert Paul, president-elect; Sherrill W.

Hudson, vice president; Frank C. Bajamonte, treasurer; Ralph Morera, secretary; Lawrence O. Turner, Jr., past president. The board of directors includes: Harvey S. Abramson, William Barkell, Gordon J. Bingham, C. Robert Black, Donald Burgess, Antonio J. Cabrera, Jr., John K. Little, John S. Lowell, Hank Luria, James E. McDonald, Leslie V. Pantin, Jr., Aristides J. Sastre, Jr., Ron Esserman, William J. Gallway III, Samuel Getz, Frank Hawkins, Barbara A. Ibarra, Laura Jack, Bobbi Litt, DeWayne Little, Paul L. Singer, Merrett R. Stierheim, Al Townsel, Stephen J. Waters, Jr., Sharon Watson, Dr. Herbert A. Wertheim, and Georgia A. Wright.

ALLEGHENY RIVER LEGISLATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. CLINGER. Mr. Speaker, today I was joined by the entire Pennsylvania delegation in introducing legislation to designate 85 miles of the Allegheny River in northwestern Pennsylvania as a National Recreation River under the Federal Wild and Scenic Rivers System.

And why did 23 Pennsylvania Congressmen join together to introduce this bill? It is plain and simple: this is good legislation that would benefit us all. It will protect a priceless piece of our natural heritage for future generations of Pennsylvanians and all Americans.

Earlier this year, Forest Service personnel of the Allegheny National Forest completed a study to determine what portions of the Allegheny River were eligible for protection under the National Wild and Scenic Rivers System. The study concluded that 85 miles of the river contained "outstandingly remarkable values." Congress directed the Forest Service in 1978 to study 128 miles of the Allegheny River from Kinzua Dam to East Brady.

Approximately 30 percent of the 85-mile river segment winds through the Allegheny National Forest with the remaining portion moving through State and private lands. The National Recreation River designation will add additional protections to the many islands of the Allegheny River, including those designated as wilderness in the 1984 Pennsylvania Wilderness Act.

Our bill creates two citizen advisory councils to ensure the maximum input by local governments and private citizens into a U.S. Forest Service management plan. Additionally, the Secretary of Agriculture is authorized to implement interim protection measures to protect the river's remarkable values prior to full implementation of the management plan.

While no section of the Allegheny River was remote enough or free enough of development to be classified as a wild river area, the 85 miles of the river designation in this bill are a national treasure worthy of additional protection as a recreational river.

A brief excerpt from Frederick Way's 1942 book, "The Allegheny," still sums it up quite nicely:

* * * Strange and untamed and little explored. Curious that such a place should exist so close to civilization and still be untouched. Miles and miles of pioneer river. The Allegheny River is a breed of its own, and it should remain so.

Finally, I would like to thank my distinguished colleague, PETER KOSTMAYER for his help and hard work on this bill. His efforts have proved invaluable in bringing this legislation to the House and I look forward to working with him in bringing it to the House floor.

CONGRATULATIONS TO LOUISVILLE'S KACY WHITE IN THE "INVENT AMERICA!" COMPETITION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. MAZZOLI. Mr. Speaker, I rise today to congratulate Kacy White, a student at St. Gabriel's Grade School in Louisville, KY, for being selected as the winner of the region II kindergarten category of the 1990 "Invent America!" student invention competition.

Invent America! is a national educational program designed to stimulate inventiveness, creativity and problem-solving skills in America's schoolchildren. Invent America! prepares students for challenges they will face in the increasingly complex and competitive world they will inherit and manage in the years ahead.

Invent America! is a public/private partnership with major corporate sponsorship and enjoys support of both the Departments of Education and Commerce, as well as the National Science Foundation.

Kacy's winning invention is the "After-Glow Light Bulb," which is coated with glow-in-the-dark paint to help kids and grandparents from falling over things in the dark.

At a July 26 ceremony here in Washington, Kacy was presented with a $500 U.S. Savings Bond for her imagination and her inventiveness. Kacy's teacher, Ms. Sharon Benim, and St. Gabriel's Grade School principal, Mr. Alan Huelsman, were also presented with awards at the ceremony.

Mr. Speaker, I salute Kacy White, her very supportive parents, Tom and Sharon White, educators, business people, and all the students who have participated in Invent America! both in Kentucky's Third District and across the Nation.

HOLY ASCENSION ORTHODOX CHURCH CELEBRATES 75TH ANNIVERSARY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. YATRON. Mr. Speaker, today, I rise to pay tribute to the Holy Ascension Orthodox Church of Frackville, PA. On September 30, 1990, the Holy Ascension Orthodox Church will hold a reception celebrating its 75th anniversary. I would like to take a moment to recognize the Holy Ascension Orthodox Church, which has contributed so much to the communities of the Sixth District of Pennsylvania.

In celebrating this anniversary, I am sure that the congregation has much to reflect upon. For 75 years, the church has played an integral part in the spiritual affirmation of its community, and for this, we are all most grateful. The Holy Ascension Orthodox Church has been a great source of strength for countless individuals. It has continuously provided the guidance, support, and inspiration sought so frequently.

I believe that we can all look to the Holy Ascension Orthodox Church as an example of how we can make this world a better place to live, grow, and worship. I am certain that my colleagues here in the House join me in offering congratulations to the Holy Ascension Orthodox Church on its 75th anniversary. I would also like to extend my warmest wishes for the church's continued success in its special work.

NEXT OF KIN NOTIFICATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. GOODLING. Mr. Speaker, I regret to say there is no consistent policy regarding the notification of next of kin in cases of death. Unfortunately, there exist some local officials who do not succeed in locating a deceased person's next of kin for one reason or another. As you can imagine, this is very unpleasant for a family in this situation.

The issue was brought to my attention by a family who lives in my district. Two parents had a son who had run off on his own from their home in York, PA and finally resided in another State. The son died later of natural causes, and although the local medical examiner's office attempted to locate an uncle, whom he had listed as next of kin, it was not successful in locating the uncle and made no attempt to locate the parents. After searching on their own, the parents finally found out 3 years later their son had died. This is clearly a tragic situation which no family should have to endure.

Today, I introduced a resolution expressing the sense of Congress that medical examiners and coroners should make reasonable, good faith efforts to locate the next of kin of deceased individuals, and that States should develop such procedures.

Such guidelines might include:

At the place of death and current residence—house, nursing home, and so forth—check for personal papers, phone lists, letters, and so forth.

Check for a will or insurance policies;

Check hospitals for previous admissions;

Check telephone directories;

Check city directories;

Check with police agencies;

Contact banks, and financial institutions for possible accounts with beneficiary;

Contact veterans assistance;

Contact Social Security Administration;

Contact neighbors;

Place notice in newspapers and electronic media;

Contact FBI for fingerprints;

Contact place of employment;

Check with registrar for deaths of same name;

If place of birth is known, check with local registrar, police, hospitals;

Use police telenetwork; and

Check with secretary of States office.

Federal agencies and departments, such as the Social Security Administration and the Department of Veterans Affairs, should cooperate with local officials in these efforts.

I hope these guidelines will assist local medical examiners and coroners in locating the next of kin of deceased individuals in a timely manner and no families will have to endure the trials and heartache of one family in my district. I would urge my colleagues to cosponsor this resolution.

G. HOLMES BRADDOCK HIGH SCHOOL OF TOMORROW

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, I am proud to recognize today the Saturn School project planning team of the Dade County Public Schools for their fantastic efforts in implementing a unique educational program which they call Dade County's High School of Tomorrow.

I am happy to announce that on July 27, 1990, the Saturn Advisory Council has its first meeting, and it was a resounding success. The wave of the future, G. Holmes Braddock Senior High School, is now expected to open its doors this upcoming 1990–91 school year.

As a teacher, I am excited to see bold new ideas for delivering a diverse and challenging curriculum to ensure the success of our young people in the future. It is clear that in the years ahead we will need intense dedication to education so that our children can compete and I applaud the Saturn School project for their commitment to this worthy cause.

After a year of designing, refining and planning for the opening, this pilot program will finally begin teaching students this fall to bridge the gap between the classroom and the work force of the 21st century. The "High School of Tomorrow" will open as a school-based management/shared decisionmaking school. The instructional program and organization is oriented to secure economic security and growth, with the goal of turning out students who have mastered the skills and knowledge that will be necessary in this ever-shrinking world. There will be an emphasis on foreign languages, technology, ethics, global education, career decisionmaking and the adapting to the rapid changes in our way of life.

Leading this grand venture is Principal A. Louise Harms, Saturn facilitator, Carol Roth and the Dade County superintendent of schools, Paul W. Bell. Ms. Harms and Ms. Roth should both be proud for creating the unique Saturn proposal and for their exceptional dedication to the pursuit of educational excellence.

Education is one of the most, if not the most, important issue facing us today. We cannot accept anything but the best education for our children, if we are to succeed as a nation in the next century. It excites me to see such new and forward-looking ventures as the G. Holmes Braddock Senior High School and I am honored to recognize the Saturn School project planning team for their outstanding efforts.

TRIBUTE TO MOUNT ZION HOSPITAL AND MEDICAL CENTER

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Ms. PELOSI. Mr. Speaker, I rise today to pay tribute to the directors and employees to Mount Zion Hospital for their dedication to providing excellent community-based health care in San Francisco. Mount Zion Hospital has this year been selected by the American Medical Association and the Baxter Foundation to receive their annual McGaw Prize for excellence in community service.

Mount Zion Hospital and Medical Center, under the leadership of Martin H. Diamond, has provided excellent medical care to the city of San Francisco for 102 years. It has been consistent in its adherence to its original charter and its Jewish tradition—to care for the needy and distressed without consideration of race or creed.

Mount Zion offers a wide spectrum of services to provide medical care for elderly, young, and impoverished members of our community. The hospital has worked successfully to reach out to residents of the western addition, Soviet emigres, and indigent Jews in the San Francisco Bay area. Even in the fact of substantial revenue losses, Mount Zion has continued to provide important community services.

Mr. Speaker, I would like to congratulate Martin Diamond and his dedicated staff for receiving the coveted McGaw Prize for excellence in community service. Over 125 medical institutions throughout the country competed for this year's prize.

During this period in our Nation's History, in which many Americans suffer from lack of medical attention, I believe Mount Zion's longstanding commitment to providing health care to those who cannot afford it is an example to be recognized and emulated. I am pleased that the Baxter Foundation and the American Medical Association have chosen to do so in awarding this prestigious prize to Mount Zion Hospital and Medical Center.

TRIBUTE TO THE LATE MARCIA BORIE

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. BERMAN. Mr. Speaker, on Friday, June 1, Marcia Borie died and the entertainment, journalism, and political communities of Los Angeles lost one of their most highly valued friends. I greatly admired Marcia's work and write this tribute on behalf of both myself and my good friend Los Angeles City controller Rick Tuttle.

Hollywood knew Marcia for her lifetime work covering the industry as reporter, editor, and director of communications for the Hollywood Reporter and for her interesting and entertaining books, a biography of Jack Benny, two volumes about the Hollywood legends, and stories she knew so well, a study of the Presidents of the United States, and several books on health and beauty.

Rick and I knew Marcia's outstanding accomplishments as an author and journalist, but we most admired her for the years she spent trying to get the Democratic Party to oppose this Nation's involvement in Vietnam.

Marcia was a close friend and associate of our former colleague, the legendary civil rights and antiwar activist, Allard Lowenstein. Her home was the base for all of Al's myriad operations and frenetic activity in southern California. I met her there and joined the many people who were inspired by her tireless work in the multitude of worthy battles fought by Al Lowenstein.

Marcia Borie was a wonderful woman and a great friend. All those fortunate enough to have known her will greatly miss her incisive mind, her energy and incredible talent, her ability, and her dedicated defense of justice.

IN SUPPORT OF BARATS' FAMILY

HON. STENY HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. HOYER. Mr. Speaker, an exceptional woman visited our Nation's Capital last week. I am referring to Galina Barats, a Soviet Pentecostal Christian and former political prisoner who waited for 13 years to emigrate from the Soviet Union. She arrived in Canada a few weeks ago.

However, our joy at Galina's arrival has been tempered by the sad fact that her husband and also former political prisoner, Vasily Barats still has not been allowed to emigrate, allegedly because of state secrets he learned over 15 years ago in the Soviet military.

Today, Soviet officials are saying that "the emigration issue is being resolved," and indeed many long standing refusnik cases have been resolved.

However, I was recently told by Soviet representatives at the Copenhagen CSCE Human Dimensions Meeting that Vasily Barats will still have to wait an additional 5 years before being allowed to emigrate.

Mr. Speaker, the recent NATO London communique states that:

> The Soviet Union has embarked on the long journey toward a free society. The walls that once confined people and ideas are collapsing.

But Vasily Barats remains imprisoned by walls of bureaucratic intransigence.

I call upon the Soviet Government to tear down the wall that they built around Mr.

Barats and allow him to emigrate and join his courageous wife.

GUARANTEED STUDENT LOAN PROGRAM MUST BE IMPROVED

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. TALLON. Mr. Speaker, I am appalled at the report of the Secretary of Education last week regarding the impending crisis with the student loan guarantor, the Higher Education Assistance Foundation [HEAF] of Overland Park, KS.

HEAF is one of the largest of the 55 guarantors of student loans in the country with a loan portfolio of $9.6 billion. The extremely high default rate among HEAF's loans leads to the logical conclusion that the Guaranteed Student Loan Program must be improved to ensure that loans are not wantonly made and that students, schools, lenders, and guarantee agencies all conform to strict guidelines of honesty and integrity.

The Department of Education has been reimbursing HEAF for defaults at a rate of 80 percent because of HEAF's high default rate. While the Secretary of Education has assured us that loans now guaranteed by HEAF will continue to be guaranteed, I am extremely concerned about the future of loans for South Carolina students.

Thousands of South Carolina students receive loans from Florida Federal, one of the largest lenders guaranteed by HEAF. If Florida Federal is no longer a source for loans because of the HEAF crisis, many students in South Carolina will have to suspend their education.

I think we all know why this is the case. We've got a Federal program designed to help all our citizens attain the level of education which they desire. The Guaranteed Student Loan Program is designed to improve American lifestyle at its very core and for the most part it has.

Yet, there is an element of greed which is infecting the GSL Program and will ultimately destroy our educational system. We have less than credible schools propping up all over the country, promising a bright future, charging outrageous fees, and sending students to less than credible banks for loans which the students will never be able to pay off.

This sinister anything-for-a-buck attitude is going to hurt the honest students, the honest schools, and the honest lenders. Ultimately, I fear U.S. taxpayers will have to shoulder the burden of yet another bailout.

For the sake of our young people and for the sake of education in this country, I believe that it is time for the Federal Government to ensure that the flaws in the system are corrected.

I believe that Secretary Cavazos ought to consider the offer by Sallie Mae to take over the HEAF. I will await with great curiosity the Department of Education's review of HEAF's program administration and proposals for ensuring that the HEAF collapse is not followed by a rampant deterioriation of the nationwide Guaranteed Student Loan Program.

H.R. 4617 AMENDING THE INSPECTOR GENERAL ACT OF 1978

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. CONTE. Mr. Speaker, I rise today to call attention to a little acknowledged event, that has tremendous potential for saving the American taxpayers millions of dollars and lots of pain and anguish. I am speaking about the settlement of the turf-battle between the inspectors general and the Department of Justice over the investigative authority of the inspectors general.

As everyone well knows, I am a longtime supporter of the inspectors general. I like what the inspectors general represent: integrity, honesty, and openness in Government. And I like what they do: protecting taxpayers from waste, fraud, abuse and corruption in Government.

Unfortunately a Justice Department ruling in March 1989 sent the IG community into chaos and placed many Americans at-risk because countless IG investigations were suspended and a valuable governmental resource, our watchdogs the inspectors general, were placed in limbo.

To break the gridlock and unleash the watchdogs Senator GLENN and I introduced H.R. 4617 and its companion in the Senate S. 2608 on April 25 to amend the 1978 Inspector General Act—Public Law 94-452. With the recent agreement between the IG's and Justice our bill has been placed on hold, because we want to see if the agreement will work.

Consisting of four principles, the agreement represents a clear understanding about the IG's authority in several formerly contentious areas. It says each IG may conduct criminal investigations of persons or funds so long as the investigations are related to the agency's programs or operations to which the IG is assigned.

Under the agreement IG's may conduct criminal and other investigations of persons not working for an agency or getting Federal funds in certain circumstances, such as when someone is in collusion with the Federal employee or when someone is applying for a Federal benefit or document.

In addition, each IG may conduct spot investigations of external parties in certain circumstances. These include determining the effectiveness of the program compliance or enforcement offices, and responding to allegations that agency employees are failing to carry out their responsibilities or otherwise engaging in criminal misconduct.

The parties further agreed the authority of the IG's to conduct audits was not changed by the April 1989 DOJ ruling and the recent settlement of differences concerning investigative authority.

The resolution of this dispute is a positive step away from the petty struggle over investigative authority of the IG's which has consumed valuable talent and resources that could have otherwise gone to fight crime and foster efficient programs.

Mr. Speaker, given the recent agreement I am, at least for the moment, refraining from pushing the legislation I introduced earlier this year that would have restored authority which DOJ changed by unilaterally reinterpreting a law that had been successful for 10 years. Rest assured that I will use my position as ranking member of the Appropriations Committee to monitor the agreement. I believe the DOJ interpretation was wrong and the quagmire we've been caught in could have been easily avoided.

However, in the spirit of the agreement I want to work with all parties to use this document to return to the basics of reducing waste, fraud, abuse, and corruption involving Government programs and operations. I urge all my colleagues to join me in supporting the agreement.

HOUSE JOINT RESOLUTION 620, HELSINKI HUMAN RIGHTS DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1990

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Joint Resolution 620, legislation commemorating "Helsinki Human Rights Day," the 15th anniversary of the signing of the Helsinki accords on August 1, 1990. I commend our colleague, Mr. HOYER, for introducing this measure, which I am pleased to cosponsor. His leadership as cochairman of the Conference on Security and Cooperation in Europe, which monitors the Helsinki Final Act has indeed been stellar, and we are thankful to him for his great dedication and persistence on behalf of human rights around the world. The gentleman from Illinois [Mr. PORTER], also a member of the Helsinki Commission, deserves recognition as well for his coauthorship of this resolution and for his cochairmanship of the Congressional Human Rights Caucus.

I also want to thank the distinguished chairman of our Foreign Affairs Committtee, Mr. FASCELL, for bringing House Joint Resolution 620 to the floor for consideration in such a timely fashion, and the chairman of our Foreign Affairs Subcommittee on Human Rights, Mr. YATRON, for facilitating these efforts.

The legislation before us notes that it has been 15 years since the Helsinki Final Act was signed by 35 signatory nations, each of which pledged to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion." In the years that followed, we have seen our State Department, and the Helsinki Commission at the forefront, speaking out against human rights abuses among many of the signatory nations. Very often, abuses in the Soviet Union were the major focus of ongoing efforts.

The creation of the Helsinki Final Act was an acknowledgment of the growing dominance of human rights on international agendas. Its adoption was a landmark event, allowing the United States to very legitimately press the Soviet Union and other nations

about human rights abuses, despite protestations that these were internal matters.

Over the past 15 years, we have seen the situation in the Soviet Union change dramatically. Soviet Jewish emigration dropped from over 50,000 in 1979 to less than 1,000 in 1984 and 1986. Only a few years ago Soviet Jewish Hebrew teachers and activists were still being arrested on trumped-up charges and sent to prison and internal exile. In 1989, over 70,000 Soviet Jews left the Soviet Union, and it is estimated that this year, that number may double.

But, despite our joy with regard to these remarkable advances, we cannot rest on these laurels. The Soviet Union had assured us time and again that an open emigration law would be considered and adopted by the Supreme Soviet, most recently in the end of May just prior to Presidents Bush and Gorbachev's summit meeting. Yet, it was pulled from the calendar at the very last minute, and rescheduled for consideration, we are told, in September. I therefore remain cautious about the future.

In some ways, it seems, Mr. Speaker, that the more things change, the more they remain the same. We are witnesses to massive Soviet Jewish emigration, not only due to relaxed policies, but also because of the rise of Soviet anti-Semitism. Just recently the Soviet Communist Party newspaper Pravda discussed this matter openly. An article from the Los Angeles Times discusses this new manifestation, which I am inserting in the CONGRESSIONAL RECORD for our colleague's review. While it is news in and of itself that the highest ranks of the Communist Party have finally acknowledged this serious matter, and have further openly verified that anti-Semitism is a grave cause for concern in the Soviet Union, it is also testament to the ongoing need for the Helsinki process.

My other concern involves the several hundred Soviet Jewish families who are still refused permission, either on secrecy grounds or due to poor relative status. I am disappointed that for them, legal avenues for appeal have not yet been made available. The Soviet Union is at an important crossroads. Notwithstanding the ugliness of anti-Semitism, and other antiethnic hatreds, Mikhail Gorbachev is making history in his attempts to steer the Soviet Union away from its previous courses. I do not think that any of us would have believed even a few years ago that the Soviet Union would respond in a nonmilitary fashion to last fall's events in Lithuania. The Union of Soviet Socialist Republics still has a long way to go, but its initial steps of reform are encouraging ones.

Accordingly, I join my colleagues in urging swift adoption of this resolution, mindful that we must still stay the course in the struggle for human rights.

The article follows:

[From the Los Angeles Times, July 23, 1990]

ANTI-SEMITIC TIDE PERILOUS, PRAVDA SAYS

(By Michael Parks)

Moscow.—Anti-Semitism is growing rapidly in the Soviet Union, the Communist Party newspaper Pravda acknowledged Sunday, and it now threatens to undermine the country's political and economic reforms.

Pravda denounced not only the open anti-Semitism of groups on the far right, such as the nationalistic Pamyat, which blame Jews for all the country's problems past and present, but also that of Russian nationalists who use anti-Semitism in their efforts to revive Russian culture.

"This unprecedented anti-Semitism is of great concern because we face an attempt to disrupt the process of social consolidation," Pravda said in an article signed by a Soviet historian, S. Rogov, "A law-based state must protect people of every nationality."

In one of the strongest official warnings against anti-Semitism, the newspaper said that the country, if it aspires to democracy, cannot quietly content itself, with the expectation that the "Jewish question," a term that itself has an anti-Semitic undertone here, will be solved when the country's 1.9 million Jews have emigrated.

Pravda, in a break from official assessments in the past, argued that the problem is much broader than acknowledged up to now and that it affects the whole of Soviet society and its efforts at political, economic and social reforms.

Despite repeated warnings over the past year and a half from the Jewish communities in Moscow, Leningrad and other major Jewish centers in the country, Soviet officials have been unwilling to recognize the rapid, even frightening growth in anti-Semitism and its implications for the country.

Even when foreign leaders, including President Bush and Secretary of State James A. Baker III, have raised the question, Soviet officials have done little more than to speak of "social tensions" as a result of the country's severe economic problems.

Pravda, although approaching the issue in terms of the "Jewish question," Zionism and emigration, went well beyond the previous official position to report, in unambiguously critical terms, the growth of anti-Semitism and the threat it represents.

"A large number of extremist groups have appeared in the country," the paper said. "Pamyat and the like are openly reviving anti-Semitism as a means of their struggle against prestroika. They use such classic falsifications as the 'Protocols of the Elders of Zion,' which had been fabricated by the Czarist police.

"Again and again, they exploit the myth of the 'Yid-Mason-Bolshevik conspiracy' against Russia. Jews are being blamed for killing the Czar's family and Stalinist repressions, the forced collectivization, the corruption of the national culture and the destruction of the ecology.

"Unfortunately, political anti-Semitism is being cultivated by a number of literary publications as well. Every issue runs odious speculations. For the first time in our history, anti-Semitism has become quite popular in some intellectual circles."

Asking why anti-Semitism could not simply be outlawed, Pravda contended that this could also be used as an argument for banning Zionism as "a rejection of a democratic solution for the Jewish question in a multinational state."

"That is why we cannot 'ban' criticism of the Zionist ideology," the paper said, "and why provocative activities of openly anti-Soviet, pro-facist movements [such as the Jewish Defense League of Meir Kahane] cannot enjoy immunity either."

However, Boris N. Yeltsin, the president of the Russian Federation, the largest of the Soviet republics, said last month that he favors legislation outlawing anti-Semitism and those organizations that promote it.

"We will have to pass a law to put a barrier before those organizations that tend to develop in fascist directions," Yeltisn said. "That is absolutely inadmissible."

A major result of the growth of anti-Semitism has been to encourage Soviet Jews to emigrate at an ever-faster pace, the article said, forecasting that Jewish emigration this year will run between 200,000 and 300,000. In the first half of 1990, 50,000 Soviet Jews arrived in Israel, according to reports from Jerusalem, and the projected total for the year is 165,000.

"The number of visa applications is growing," Pravda said. "One cannot but see that the fear of programs is acquiring the scale of a panic. Visa documents are being issued for people who are far from sharing the ideas of political Zionism.

"The problem cannot and should not be solved through mass emigration. The Jewish question should be solved democratically in the Soviet Union. This should not impede natural assimilation or threaten Jewish culture or prevent Jews from going to Israel or any other state. Jewish cultural institutions should, meanwhile, develop freely and democratically to satisfy the natural ethnic requirements of Soviet Jews."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 31, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 1

9:00 a.m.

Labor and Human Resources

Business meeting, to consider proposed legislation authorizing funds for programs of the National Institutes of Health Act, proposed legislation relating to bone marrow and organ transplants, a proposed resolution to commend Erich Bloch for his six years of service as Director of the National Science Foundation, S. 2649, to provide for improved drug abuse treatment and prevention, S. 930, to establish an Office of Construction, Safety, Health, and Education to improve construction inspections, reporting, investigations and recordkeeping, and to establish safety and health programs, S. 2793, to revise the U.S. Institute of Peace Act to honor the memory of the

late Hawaiian Senator Spark M. Matsunaga, and pending nominations.
SD-430

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on reversing the decline of the U.S. electronics industry.
SR-253

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on the role of nuclear energy in meeting future electricity demand.
SD-406

Governmental Affairs
To hold hearings to examine efforts by the Internal Revenue Service (IRS) to collect taxes owed to the Government by individuals and corporations, and to examine why these IRS accounts receivable are so large.
SD-342

Judiciary
Technology and the Law Subcommittee
To hold hearings on S. 2030, to protect the privacy of telephone users by permitting the use of pen registers and trap and trace devices on emergency assistance telephone lines of police and fire departments and where the provider of wire or electronic communication services enables the communication originator to block receipt of his or her number (caller identification).
SD-226

Small Business
Urban and Minority-Owned Business Development Subcommittee
To hold hearings to examine the impact of the Supreme Court decision in City of Richmond v J.A. Croson Company on minority-owned small businesses.
SH-216

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to examine fraud in the bank and thrift savings industry.
SD-538

Foreign Relations
To hold hearings on the nomination of Edwin D. Williamson, of South Carolina, to be Legal Advisor of the Department of State.
SD-419

2:00 p.m.
Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on chemical exports to Latin America, and to review programs contained in title III of Public Law 100-690, the Chemical Diversion Trafficking Act.
SR-253

Governmental Affairs
To hold hearings on the nominations of Wallace E. Stickney, of New Hampshire, to be Director of the Federal Emergency Management Agency, Stephen D. Potts, of Maryland, to be Director of the Office of Government Ethics, Office of Personnel Management, and Russell F. Miller, of Maryland, to be Inspector General, Federal Emergency Management Agency.
SD-342

Select on Indian Affairs
Business meeting, to mark up S. 2770, to establish the Indian Finance Corporation, an independent, Federally chartered financial institution in which Indian tribes would be directly involved in its administration in an effort to close the gap between the established sources of private capital and Indian country, S. 2451, to establish in the Department of the Interior a Trust Counsel for Indian Assets, S. 2850, to authorize demonstration projects in connection with providing health services to Indians, and S. 2645, to improve the health status of the urban Indian population and to enhance the quality of health care services and disease prevention.
SR-485

AUGUST 2

9:00 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

9:30 a.m.
Governmental Affairs
To hold hearings on control and financial management of expired appropriations accounts, M accounts.
SD-342

Small Business
To resume hearings on the Small Business Administration's small business investment companies' program.
SR-428A

Joint Economic
To resume hearings to examine the economic outlook at midyear.
2325 Rayburn Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to examine fraud in the bank and thrift savings industry.
SD-538

Commerce, Science, and Transportation
To hold hearings to review the National Science Foundation's Director's views on science and technology policy.
SR-253

Foreign Relations
To hold hearings on the Convention on the Elimination of All Forms of Discrimination Against Women (Ex. R, 96th Congress, 2nd Session).
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of Wendy L. Gramm, of Texas, to be a Commissioner of the Commodity Futures Trading Commission.
SR-332

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings to review the Department of Housing and Urban Affair's report on the safety and soundness of the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae).
SD-538

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2904, to require the Secretary of Commerce to make additional frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To continue hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

Select on Intelligence
Closed business meeting, to consider pending intelligence matters.
SH-219

AUGUST 3

9:30 a.m.
Finance
Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee
To hold hearings on S. 2901, to simplify the application of the tax laws with respect to employee benefit plans, and S. 2902, to simplify pension rules for church and welfare benefit plans.
SD-215

Joint Economic
To hold hearings on the employment-unemployment situation for July.
2203 Rayburn Building

10:00 a.m.
Foreign Relations
To hold hearings on the nomination of Ryan C. Crocker, of Washington, to be Ambassador to the Republic of Lebanon.
SD-419

Labor and Human Resources
Labor Subcommittee
To hold hearings to examine the recent financial crisis of the Higher Education Assistance Foundation and its impact on student loans.
SD-430

AUGUST 6

9:30 a.m.
Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To resume hearings on the impact of restructuring the savings and loan industry.
SD-628

AUGUST 7

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed legislation on San Carlos water settlement rights.
SR-485

AUGUST 18

2:00 p.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee

To hold hearings to review Peace Corps programs in eastern Europe.

SD-419

AUGUST 21

10:00 a.m.

Finance

International Trade Subcommittee

To hold hearings to review the final report on the U.S.-Japan Structural Impediments Initiative (SII) talks.

SD-215

SEPTEMBER 12

9:00 a.m.

Select on Indian Affairs

Business meeting, to mark up S. 1554, to implement water settlements involving the Pyramid Lake Paiute Tribe, the States of California and Nevada and other parties regarding the waters of the Truckee and Carson Rivers and Lake Tahoe in Nevada and California, and H.R. 5063, to provide for the settlement of the water rights claims of the Fort McDowell Indian community in Arizona.

SR-485

SEPTEMBER 18

9:00 a.m.

Veterans' Affairs

To hold joint hearings with the House Veterans' Affairs Committee on legislative recommendations of the American Legion.

SD-106