SENATE—*Thursday, November 7, 1991*

(Legislative day of Tuesday, October 29, 1991)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

The PRESIDING OFFICER. Today's prayer will be offered by guest chaplain Rabbi Milton Balkany, dean, Bais Yaakov School of Brooklyn, Brooklyn, NY.

PRAYER

Rabbi Milton Balkany, dean, Bais Yaakov School of Brooklyn, 1362 49th Street, Brooklyn, NY.

Let us pray:

Almighty G-d, the august assemblage of our esteemed Senators stand before You in prayer. We recognize that prayer brings to us resources from another world—the world of spirituality and holiness. We need Your help and blessings to enable us to cope with the problems, temptations, and difficulties of our duties. Invoking Your mercy and might is our most efficacious means of guaranteeing peace and security for the harassed and helpless people of the Earth.

We are thankful for this blessed country of the United States of America, the land of plenty and freedom. We need Your divine guidance to bring peace, civility, and harmony within our communities. We seek oneness, not sameness. To make all people the same would debase our quality, but oneness would raise it. Inspire us to seek the noble and supreme ideal. We can win the world by example.

We recognize the great opportunities in the changing world. When G-dless and ruthless regimes crumble, we must exhibit our allegiance and dedication to the principals of our democracy.

The clarity of our vision and the intensity of our idealism mean that for us, at least, the American dream is projected on a wide screen in technicolor.

When the roots of optimism, faith, and enthusiasm sink deeply into the soil of our labors, we shall harvest the glorious fruits of successful achievement.

We worship You, O G-d, in gratitude and beseech You in humility. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 7, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. SANFORD thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 2707, which the clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2707) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1992, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 1, 1991.)

The ACTING PRESIDENT pro tempore. The time for debate on the conference report is limited to 30 minutes, 10 minutes each to the Senator from Iowa [Mr. HARKIN]; the Senator from Pennsylvania [Mr. SPECTER]; and the Senator from New Mexico [Mr. DOMENICI].

Mr. HARKIN. Mr. President, I rise in support of the fiscal year 1992 conference report on Labor-Health and Human Services appropriations. The bill, as you know, Mr. President, passed the other body yesterday. It is now up to us to agree to the conference report and send it down to the White House.

Mr. President, I believe that all of us really understand what is in the bill. It is a very comprehensive bill—$204.9 billion. This is a bill that covers all education, health care, human services, job training, and the Labor Department appropriations, items that really go to make our human resources in this country more productive, more efficient, more healthy.

There is, however, Mr. President, one item in this bill that has drawn the statement from the President that he will veto the bill based upon this one provision in it. And I want to talk briefly about that, Mr. President.

Section 514 of the bill includes language adopted by the House and Senate in identical form that would prohibit the administration from implementing any regulations that would prevent abortion counseling to occur in federally funded title X family planning clinics.

This, Mr. President, is the so-called gag rule that this administration implemented and which, of course, was upheld by the Supreme Court last year. Both the House and the Senate included in their bills provisions—identical provisions, so it was not even subject to conference—identical provisions overturning the implementation of the gag rule by the administration.

Mr. President, we must untie the gag and restore to women their right to get the information they need to make their own choice and their own decisions. The gag rule just does not make sense, Mr. President. It puts the Government between doctors and their patients and denies poor women information about health that all other women in our society can get as a matter of course. So much of what we are trying to do now in health care is to inform people so they can make their own decisions, important decisions, that will better guarantee the prevention of disease: decisions about smoking and diet, exercise, drug use and, yes, safe sex.

The White House says we need to clarify the separation between family planning and abortion. But, Mr. President, nothing could be more clearer than existing law. The law right now will not permit title X funds to pay for abortions. We do not need to clarify that.

Not only has the so-called compromise language that appeared yesterday in a memo from the White House to Secretary Sullivan, not only has it

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been voted down before by this body, it really has no legal standing and does not change the administration's regulation.

Mr. President, again, for the benefit of others, yesterday the White House sent a memo to Secretary Sullivan at Health and Human Services, trying to put up a smoke screen on the gag rule, because as I said, that very language has been voted down here before and does nothing to lift the gag rule at all and does not change the implementation of that gag rule.

Again, Mr. President, almost 4 million women get health care from title X clinics. Among the services provided are breast exams, Pap smears. When 1 woman in 10 will develop breast cancer and when cervical cancer is one of the most common cancers in women, I cannot support any measures that will put our title X clinics at risk, and the gag rule does, in fact, put them at risk. This is because, rather than comply with the gag rule, many title X clinics will refuse Federal funds and be forced to shut down. Overturning the gag rule will protect women's health, their right to choose, and all of their first amendment rights.

So I am disappointed in the President's threatened veto of this entire $204.9 billion appropriations bill because of the conference overriding of the gag rule. I hope my colleagues will show their strong support on this issue.

As the Members will recall, this measure was reported to the Senate on July 11, and on September 10, 11, and 12 the full Senate considered the bill. During the three days of Senate floor consideration, 38 amendments were offered and debated and 35 of those were agreed to by the Senate.

Mr. President, this year's conference with the House required five sessions, two of them full day sessions. The Senate met with the House in conference on October 16, 17, 22, 23, and 29. While the time required in conference this year was unusually long, I am pleased to report that of the 35 amendments added by the full Senate, 31 of them are accommodated by the conference agreement.

Mr. President, the 602(b) allocation for the subcommittee is $59.087 billion for discretionary budget authority and $57.797 billion for discretionary outlays. Based on the resolution reached by the conference committee on October 29, we were essentially at these ceilings for both budget authority and outlays. Subsequently, however, additional reductions were required, based on negotiations with the Office of Management and Budget to further reduce the totals in order to avoid a sequester across all domestic programs. As the last domestic appropriations bill, it was necessary to bring the OMB scoring—compared to the CBO scoring—down to the $2.5 billion scoring cushion that is provided in the Budget Enforcement Act for all domestic spending. Based on this final adjustment, the bill is $71 million below the 602(b) allocation in budget authority and $34 million below the 602(b) allocation in outlays.

Any funding additions made to the conference agreement, however, will need to be offset with cuts to avoid an administration imposed sequester or an across-the-board cut to all domestic programs.

Mr. President, the conference agreement includes $59,015,901,000 in discretionary budget authority which is a $2.678 billion or 4.75 percent increase over the level provided in fiscal year 1991. A full $3.136 billion of this new budget authority, however, does not become available until September 30, 1992, or the last day of the fiscal year.

While the conference agreement includes increases for discretionary budget authority, it does not provide increases for discretionary outlays. The conference agreement includes $25,363,523,000 in new discretionary outlays. Based on CBO estimates, this is $1.514 billion below the level needed to maintain current services. Also based on CBO estimates, the amount of new discretionary outlays provided by the conference agreement is approximately $100 million below a hard freeze.

The budget authority increases provided in this bill are only possible because of the delayed obligations. Without the delays the bill would be cut to the bone and held to levels below last year.

Mr. President, a great deal has recently been said in opposition to delayed obligations. I should note however, that the idea originated with the President's request which included $1.442 billion of delayed obligations. The House included $1.815 billion of delays. The conference agreement includes $3.136 billion of delays of spending authority until September 30, 1992. Six other appropriations bills also include delays; the House defense bill includes over $3.3 billion of delays.

Mr. President, it seems curious to me that we are hearing such a great deal about delayed obligations on this appropriations bill. Many have suggested that the issue is being raised to give the President cover for his threatened veto of the bill solely because of the gag rule. Many have argued that the White House does not want to face the political fire storm that will result from gagging doctors and health care workers from giving poor women medically necessary counseling and referral information and therefore the President needs to find another reason to veto the bill.

This must be the case because the truth is that delayed obligations are not new; delayed obligations were requested by the President; delayed obligations have been included in many other appropriation bills both this year and in the past; and delayed obligations were necessary in this bill in order that it not be cut below a freeze level.

Mr. President, the amounts provided for education in this year's conference agreement are especially generous. The discretionary total provided for the Department of Education is $22,873,309,000. This is $1,887,527,000 or 9 percent more than last year, $352 million more than was provided by the Senate.

The discretionary budget authority totals for the Department of Labor increase by only 1.9 percent and the discretionary budget authority for the Department of Health and Human Services increase by only 2.2 percent.

Mr. President, the conference agreement treats education in an exceedingly generous manner.

Mr. President, I do not want to take a great amount of additional time to describe this conference agreement, I will however, offer a few highlights.

The conference agreement maintains the full $30 million increase that had been provided by the Senate for breast cancer research and also maintains the $50 million breast and cervical cancer screening program.

The conference agreement includes $280 million for the Ryan White AIDS programs, $59 million more than the administration budget request, and $33 million more than had been recommended by the House.

The conference agreement includes the full level recommended by the Senate for the Low-Income Home Energy Assistance Program, $500 million more than the level recommended by the House.

The conference agreement includes $150 million for the family planning program, up from $144 million provided last year and the zero funding provided by the House.

The conference agreement includes the full amount recommended by the Senate for child care block grants and does not include the $145 million rescission of the 1991 child care funds that had been recommended by the House.

The conference agreement includes a total of $1.4 billion for a series of selected programs targeted at disease prevention. This package includes increases of $320 million over last year and $245.6 million over the level recommended by the House for this package of programs.

The conference agreement includes a total of $9,010,405,000 for the National Institutes of Health, $734 million more than last year and $186 million more than the House.

The conference agreement also provides $10,379,000 for social services research. Included in that amount is funding for Family Support Center demonstrations. It is expected that these demonstrations will be funded at or near the $7,000,000 level.

Finally, Mr. President, the conference agreement includes the full

level requested by the administration for unemployment claims processing. And it includes $4.2 billion for job training and employment services, $103 million more than requested by the administration.

Mr. President, this concludes the summary of the conference agreement that I would make at this time. In a moment I would like to yield to Senator SPECTER, the ranking Republican member of the subcommittee. Senator SPECTER provides this subcommittee with a great deal of very useful and wise advice and I am grateful to him for his assistance throughout the year. I would also like to thank Senator SPECTER'S appropriations staff who have continued to work again this year very cooperatively with the majority staff truly as one team. These staff are: Craig Higgins, minority staff director, Bettilou Taylor, Janet Lamos, and Robin Rosencrantz. I would also like to thank the majority staff who have worked on this bill long and hard. These staff are: Mike Hall, staff director, Jim Sourwine, Carol Mitchell, Amy Schultz, Margaret Stuart, Gladys Clearwaters, and Susan McGovern.

Mr. President, at this point I would like to yield to Senator SPECTER for any statement he would like to make. Following Senator SPECTER'S statement, and any additional discussion or debate, I would urge the Members to support the adoption of the conference report.

Mr. President I reserve the remainder of my time.

Mr. SPECTER. Mr. President, I join my distinguished colleague from Iowa in supporting the adoption of the conference report. It is a very important bill which includes funding for biomedical research, drug-free schools, substance abuse treatment, AIDS research, health care prevention services, and low-income home energy assistance, to mention just a few. It is an important bill in that it includes $27.8 billion for educational purposes.

And the grave difficulty in working as the ranking Republican on this Subcommittee for Labor-Health and Human Services and Education is that there are not more funds to go around because of the very, very important projects involved. Many of the items we had to cut short, but we did the best we could. Although all of the programs contained in this bill are of great importance, I would like to highlight some programs of particular concern to me and my home State.

PUBLIC HEALTH SERVICE

This Nation's people are its greatest natural resource and should therefore be of the highest priority. Disease and illness touch every segment of our society, the young and old, rich and poor alike. And when economic or social circumstances impose special barriers to our citizens, I believe the Federal Government bears some responsibility.

This conference agreement contains $16.5 billion for programs to immunize America's children, grants to combat the high infant mortality rate, research into the cause and cure of diseases that destroy lives and drain our economy, early screening and detection programs for breast and cervical cancers, and programs to combat mental illness, alcoholism, and drug abuse.

BIOMEDICAL RESEARCH

This Nation has made remarkable progress in its quest to conquer disease, but much more needs to be done. To address this need, the conference agreement before us today contains $9 billion for the National Institutes of Health, an increase of $733 million over the fiscal year 1991 appropriation. These funds will continue vital research to find the causes and treatments for diseases such as cancer, heart disease, Gaucher's, and intensify the search for the diabetes gene.

ALZHEIMER'S RESEARCH

One example of the initiatives in this bill relates to a disease that is threatening the lives of growing numbers of Americans. The tragedy of Alzheimer's disease is one of enormous proportion, with potentially devastating public health and economic consequences. Last year, Mr. President, Alzheimer's disease drained approximately $90 billion out of our economy. Not only does this disease bring devastation to its victim, its tragic impact includes the families, friends and loved ones who assume the role of caregiver. I know, because of the 4 million Americans who have been stricken by this horrible disorder, more than 200,000 reside in my home State of Pennsylvania.

The only hope we can offer to these individuals and to future generations is by finding a way to cure, prevent, or effectively treat Alzheimer's. This bill provides $280 million for research, and an additional $4 million for a new State grant program to help families caring for Alzheimer's patients at home.

BREAST AND CERVICAL CANCER

The conference agreement also provides funds to address the epidemic and growing threat of breast and cervical cancer.

Mr. President, breast cancer is now the most frequent cancer in women. In fact, it is the leading cause of death among women under age 65. In 1989 alone, there were an estimated 142,000 new cases of breast cancer, and more than 43,000 deaths resulted from it.

Gynecologic cancers are the fourth leading cause of cancer death among women, accounting for more than 6,000 deaths each year.

Mr. President, this bill will target additional funds for screening, paying particular attention to the most vulnerable women in our population—namely, the elderly, minorities, and women living in medically underserved areas.

AIDS RESEARCH, PREVENTION, AND EDUCATION

Mr. President, few could argue with the fact that AIDS, a disease that was virtually unheard of 11 years ago, now threatens a hemorrhage in our society.

The conferees agreed to continue our strong commitment to research, prevention, and treatment programs funded through the Public Health Service. We included $1.9 billion in the bill to address these needs. This amount includes $122 million for emergency aid to the 18 cities hardest hit by this disease—cities where the incidence of AIDS has created a serious breach in our health care system.

EDUCATION

Mr. President, I take pride in the fact that this bill contains $27.8 billion for education programs, an increase of $4.9 billion over last year's appropriation. Some would say this is a remarkable accomplishment, given tight spending limits we faced this year. Actually, my only regret is that we could not have provided two to three times this amount for programs that, more than any others perhaps, represent a direct investment in our Nation's future. The fact is that there are so many worthy and excellent programs that need funding: drug-free schools, Even Start, capital expenses for private schools, student aid programs, dropout prevention and education of this Nation's homeless, to name just a few.

Included in this agreement is $1.4 billion for vocational and adult education programs, and $6.9 billion for aid to students who want to pursue a higher education.

I am proud to say that at the urging of this Senator, the conferees agreed to include $2.5 million in the bill for adult education programs designed to increase the literacy skills of commercial truck drivers—skills that will enable truckers to successfully complete the requirements of the Commercial Motor Vehicle Safety Act of 1986.

PRISON EDUCATION

Mr. President, I have long held the belief that prison education should be a high priority in the rehabilitation of the incarcerated. Recent studies have shown that education prepares the inmate psychologically for return to society and also produces a lower rate of recidivism among those who had participated in education programs. At my urging, Mr. President, we have again this year included $2 million to continue the literacy demonstration program in State corrections facilities.

JOB TRAINING

The Job Training Partnership Act is comprised of programs designed to enhance the employment and earnings of economically disadvantaged and dislocated workers, and operated through a decentralized system of skill training and related services. The bill before us today authorizes $4.2 billion, a $105.3 million increase over fiscal year 1991,

to help improve job skills and readjustment services for disadvantaged youth and adults.

SUBSTANCE ABUSE PREVENTION AND TREATMENT PROGRAMS

Mr. President, substance abuse continues to erode the very foundation of our society. Most troubling perhaps is the devastating toll this problem is taking on this Nation's most precious resource: our children and youth.

The conference report before us today includes over $3 billion for substance prevention, treatment and education programs. This represents an increase of $132 million over last year's appropriation. Among other things, these added funds will support demonstration programs involving IV drug abusers, pregnant and postpartum women and their infants, and special programs linking drug treatment with vocational training.

LIHEAP

Low-Income Home Energy Assistance Program, or LIHEAP, grants are awarded to the States, territories, and Indian tribes to assist low-income households in meeting the costs of home energy. The program is especially vital to the Commonwealth of Pennsylvania, where more than 1.2 million low-income households rely on LIHEAP to get them through some of the toughest weather this country experiences. The average program participant in Philadelphia, for example, expends nearly 40 percent of his or her income on utility services.

This year's conference report includes $1.5 billion for LIHEAP. In addition, $300 million is provided in the event that an emergency is declared by the President.

MENTAL HEALTH

Finally, Mr. President, the conference agreement provides $674.5 million for mental health programs, an increase of $58.7 million over last year's appropriation.

Mr. President, scientists are making remarkable progress in understanding the mechanisms that disrupt normal brain functions to produce mental disorders. This is particularly fitting during a time Congress has designated as the "decade of the brain," a time when we begun to fully recognize the potential of neuroscience to advance our understanding of mental illness.

Mr. President, I urge President Bush to sign the bill and bring an end to the controversy as to whether there may be counseling on abortion, because that in no way conflicts with the original statute of 1970 and is a fundamental right in terms of freedom of speech.

In looking at the Supreme Court decision in Rust versus Sullivan, which was handed down last year, it was hard for me to understand how the Supreme Court could uphold a change in regulation on a statute passed in 1970 where the regulation had been in effect to allow such counseling for 18 years. Then there was a change in regulation and the Supreme Court of the United States identified, among other reasons, that it was "in accord with a shift in attitude."

Mr. President, legislation which is adopted by the Congress with a clear-cut intent not to prohibit such counseling is not something which should legally be affected by a change in attitude. The statute provides in section 1008 as follows:

None of the funds appropriated under this title shall be used in programs where abortion is a method of family planning.

The statute on its face does not prohibit counseling. If it did, the first amendment for freedom of speech prohibits a legislative restriction. This was a 5-to-4 decision, and Justice O'Connor, noted as a conservative Justice, that the new regulation was inappropriate and said this:

Where an otherwise acceptable construction of a statute would raise serious constitutional problems, the Court will construe the statute to avoid such problems unless construction is plainly contrary to the intent of Congress.

In so stating, Justice O'Connor would permit counseling.

We have seen a revisionist Court take over in this country. It is not a conservative Court. The doctrines which have been revised by the current Court were upheld and articulated by a conservative Court in unanimous opinions written by Chief Justice Burger: school district cases, the Griggs case, and many, many others.

This revisionist Court decision ought not to be allowed to stand. Now the Congress is speaking plainly on the subject, to uphold first amendment rights, to permit counseling—which is in accordance with the statute. I do urge President Bush to sign this conference report.

Mr. President, I yield 2 minutes to my distinguished colleague from Rhode Island who deserves the lion's share of the credit for the outstanding work which was done in crafting this language and bringing forward this proposal in the public interest.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I support the measure before us. There are some very important programs in this bill, many of which I have supported strongly over the years—increases in the Job Corps Program, childhood immunizations, Head Start, and the maternal and child health block grant, to name a few. I am very pleased there is money in there for the Low-Income Home Energy Assistance Program which helps poor people obtain funds to keep themselves warm in the winter.

This legislation also contains language which would postpone for 1 year the implementation of the infamous gag rule which has been discussed previously.

I would like to make this clear. This is not an argument about abortion. The title X program does not and has never paid for abortions. Rather, the disagreement is over whether a poor woman is entitled to basic information.

Should she not be able to receive the basic information that a wealthier woman, or a woman who can afford to pay a doctor, would rightfully expect to obtain from a health care professional? I was disappointed that last Tuesday the administration released a memo, sent to Secretary Sullivan, intending to clarify these regulations.

Since July, I have been negotiating with representatives of the administration to develop a compromise on this issue. We were very close to a solution. And I have not given up hope yet. The letter sent to Secretary Sullivan lays out another gag, which is unacceptable. This is an attempt to get rid of the problems with the gag rule without removing the gag.

The title X program is intended to increase access for poor women to quality health services. That is what the title X program is all about. It has been a very successful program. It brings women into the health care system who would otherwise have little or no access to health care at all. It plays a critical role in screening for sexually transmitted diseases and preventing unwanted pregnancies. In many cases the title X program serves as the entry point for poor women into the health care system.

We should be doing all we can to improve this program, not finding ways to make it more difficult for poor women to get basic information. These regulations do make things more difficult and they should be overturned. I urge my colleagues to support this important legislation.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HARKIN. I yield 3 minutes to the Senator from Massachusetts.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I strongly support the Labor, Health and Human Services appropriations bill, and I urge the Senate to support it as well.

This measure contains some of the Nation's most important social programs—energy assistance to low-income citizens, educational loans for students, health care for the elderly and assistance for the handicapped. These are indispensable programs to meet America's basic needs.

As we struggle to deal with the recession, these safety net provisions are more essential than ever. We owe a debt of gratitude to Senator HARKIN and many others who worked hard to see that the safety net is truly safe.

For weeks, the most divisive issue in this legislation has been the gag rule. For over 20 years, title X has provided

quality health care to over 5 million low-income American women.

Yet by the stroke of a pen, in the final year of the Reagan administration, the gag rule regulations have imposed an unfair burden on physicians and their patients.

Under these regulations, at clinics funded by title X, women are denied the right to receive information on abortion, and doctors are forbidden to provide it.

There is no justification for that serious interference with the medical profession and the relationship between doctors and their patients.

If the President persists in this unreasonable position, then Congress should override his veto.

Throughout the debate on the gag rule, its proponents have waged a flagrant disinformation campaign. Abortion is not the issue here. Free speech is. Congress agreed that Federal funds should not be used to perform abortions. But Congress never intended to gag physicians or stop them from informing patients about abortion as an option.

The relationship between a doctor and a patient should be protected from intervention by the Government.

Patients deserve to have full confidence that the information they receive is based on the professional judgment of their doctor, not the political ideology of spin doctors engaged in malpractice at the White House.

For years, Congress has worked hard to provide access for low-income Americans to better health. For many, the services of title X facilities are their only access to decent care.

The gag rule regulations are a flagrant attempt to interfere with the right of patients to consult their doctors and obtain sound medical advice.

These regulations would establish a two-tiered system of health care on this issue. Low-income women being served in a title X facility would be denied the same information that is available to women who can afford a private doctor.

Major medical organizations are united against the gag rule. The American Medical Association, the American College of Obstetricians and Gynecologists, the American Nurses Association, and leading public health schools across the country have stated their opposition to these regulations. And with good reason.

The gag rule would deny them the basic right to practice their profession as they see fit.

I urge my colleagues to prevent a grave injustice by passing this legislation, repealing the gag rule, and overriding a Presidential veto.

One final point. Yesterday, the House of Representatives failed by a handful of votes to achieve the two-thirds majority needed to override a veto.

Apparently, some votes against the bill were based on budget considerations not involving the gag rule, and there is still a reasonable chance that the veto can be overriden.

If not, I urge the leadership of both the Senate and the House to press this issue again on a separate bill dealing only with the gag rule.

The issue is too important. We must not let it drop.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HARKIN. Mr. President, how much time do I have left?

The ACTING PRESIDENT pro tempore. Four minutes and three seconds.

Mr. SPECTER. And how much time do I have left, Mr. President?

The ACTING PRESIDENT pro tempore. Two minutes and thirty-two seconds.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise in opposition to this bill. And it is with great regret, because I think those who put the bill together know that on many of the items in this bill I am as strong an advocate as anyone in the U.S. Senate. But I must oppose it because it essentially compromises the intent of the Budget Enforcement Act. Because of what is done here, Senators are already asking the question: "Will the 5-year budget agreement really work? Is it not vulnerable? Are there not ways to get around it such that it will not have its effectiveness over the 5 years?"

They will use as an example what is happening in this bill. For those who look at at the fiscal year 1992 appropriations bills overall, they will also say this subcommittee is not unique. The President of the United States did a little compromising when it came to the Labor-HHS-Education bill because he did not have enough money in the budget for some of the National Institutes of Health, so the administration proposed moving obligations out near the end of the year so they will count next year, not this year.

But the Congress is far more guilty.

Let me quickly go through what is in this bill, because everybody should know that the intent of the budget agreement is being denied right here and now, today. What we are doing is saying we want to put in this year's appropriations bill, some things that we cannot afford under the budget agreement. But we want to tell everyone we have given them these things, and we will wait until the end of the year to allocate the appropriated budget authority, or we will literally—believe it or not—in this appropriations bill we appropriate for the following year.

So I would like to go through a few of these practices so everyone will understand how all this happened and where we are.

First, let me suggest that in this particular bill, we have three kinds of gimmicks that defeat the intent of the budget agreement. First, we delay obligations to the extent of $3.1 billion in budget authority. So what we say and what those who support this are going to say is, community services block grant, we really gave you more money—we are going to tell them—than we could afford, because at the end of the year, we put in $29 million more that will spend in the first few days of the following year.

And then we will say about child care assistance—interesting—that $825 million in child care assistance will be available at the end of the year instead of the beginning of the year. Thus, these funds spend out in the following year, and the outlays do not get charged to this year.

That is an interesting one, because we are already on a treadmill on that one, because for child care assistance, we started this pattern last year. The Congress put in full year funding for fiscal year 1991 but allowed the expenditure of these funds essentially in fiscal year 1992 by making the funding available on the very last day of fiscal year 1991. Now we are playing on a new budget cycle, so if we keep on with this, we will have programs starting at different times throughout the year so we can match up with the right budget numbers for the end of the year. There is $3.14 billion of that kind of budget game in this bill.

Then there are advance appropriations—interesting. We have a budget agreement. We tell this committee: You can spend a certain amount of money on all these programs. And so they say: We want to spend more, so, what we will do is just write in that we are appropriating for the next year. I have been an advocate of 2-year appropriations, but we are not there yet. So we willy-nilly choose to do these kind of things, and that one is the nice round number of $1.3 billion.

And then we have the last of the gimmicks. This is a real nice one. The Budget Enforcement Act has emergency provisions under which the President and the Congress can declare an emergency, and not count unforeseen emergency spending against spending caps in the budget agreement.

In this bill, a congressional allocation for the program that helps low-income people with energy assistance—the Low-Income Home Energy Assistance Program [LIHEAP]. This bill includes $300 million that will be spent only if the President declares an emergency. Everyone should know that if he does not declare an emergency, it does not get spent. If he does declare an emergency, obviously, it is outside the domestic discretionary spending cap in the budget agreement. But that funding is put in the bill so we can tell people we tried, and the President did not go along with the emergency. Obviously, it is not an emergency; it is a regularly appropriated item.

Having said that, I want to talk about one other thing that is not di-

rectly related to this bill. But there is another measure coming along, and some of the news media in and around Washington have raised some concerns about, the dire emergency supplemental appropriations bill, indicating that because that is loaded up with all kind of programs, maybe the budget agreement is not working.

Let me suggest that everyone in this body who is concerned about programs, including the programs in this bill, ought to be concerned about a dire emergency bill that we may run through the Congress and ask the President to sign that literally breaks the domestic spending caps; literally breaks them.

Guess what is going to happen if that occurs? We are going to get tough and send in this dire emergency bill and say, "Sign it, Mr. President." If the President signs it, the extent of the so-called dire emergency spending in this bill will automatically, Mr. President—automatically—cause an across-the-board cut of all the domestic programs we spent all this time funding. In this particular bill, it might be as much as 1 to 2 percent in cuts if the dire emergency bill, floating through here, goes to the President and he signs it. Obviously, the President is not going to declare everything in the bill an emergency. So the Congress will face a sequester, because we have already spent up to the caps by taking every appropriations bill up to its ceiling.

Mr. President, I left out one item. There may be Senators who are wondering, on this bill, whether the amount that I have been talking about that is part of this gimmick of moving obligations to the end of the year so they will spend out the next year—is very much money. I already gave the amount. They may say it is not very much money because this bill has a very large amount of dollars in it.

I remind everyone that we only talk here about the nonmandatory programs in this bill. And in this bill, there are about $59 billion—that is all; not $180 billion or so—$59 billion that is discretionary spending. Those who put this bill together—and frankly I think in many respects they have done a good job—I do not know why they had to put this extra finding in when they could probably get it next year in the appropriations cycle—but I think they want to prejudice next year's cycle by locking in this funding in advance. This action prejudices all the programs in Government that are domestic discretionary programs by determining in advance in this bill the amount that will be spent on these programs. We do not wait until next year to determine our spending priorities.

Actually, these programs went from $56.3 billion in fiscal year 1991 to $59.1 billion in this fiscal year 1992 bill. Yet, to live within the $59.1 billion discretionary allocation, the subcommittee had to use the budget practices I have just described—that is the $3.1 billion in appropriations that are delayed for expenditure until late in the year, and the other item of $1.3 billion that I talked about that is just absolutely appropriated next year. We have to add that much to the subcommittee's budget allocation.

So I will vote against this bill, regrettably. It has very good programs in it. But frankly, I think the Senate, and I think the American people truly want us to live within our budgets. If we want to spend more on these kinds of Government activities, we ought to take funding out of something else; not decide to fund it at the end of the year and, thus, act as if this spending does not count, act as if it is not taxpayers' dollars, and act as if we are not really going to spend it, so the subcommittee will be charged with it.

I believe we have to pay for such spending, I believe we have to charge ourselves for it, and I believe we ought to live up to the spirit and intent of the budget agreement, or everyone will find their ways to get around this budget descipline.

Mr. President, this bill poses a great dilemma for this Senator. This bill is of critical importance to every man, woman, and child in this country. The programs funded in this bill provide important employment services, health care and research, and education to everyone. I overwhelmingly support these programs.

In fact, this bill includes increased funding for mental health research that this Senator fought for on the Senate floor.

Thus, it pains me to oppose this bill, but I feel I have no alternative.

I will vote against this bill because it violates the intent of the bipartisan budget agreement that is just 1 year old. Yes, Mr. President, the Congress couldn't even make it through the first full year of the budget agreement.

The conference agreement before the Senate provides $183 billion in budget authority and $146.8 billion in new outlays for the programs of the Departments of Labor, Health and Human Services, and Education for fiscal year 1992.

The amount in this bill under the control of the Congress—the domestic discretionary spending that is subject to the budget agreement—totals $58.7 billion in budget authority and $25.4 billion in new outlays for fiscal year 1992.

When outlays from prior-year budget authority and other adjustments are taken into account, the overall bill is technically within the subcommittee's section 602(b) allocation.

But the subcommittee achieves this by delaying the tough choices. By delaying the obligation of $3.1 billion until fiscal year 1993, by providing new advance appropriations totaling $1.3 billion in fiscal year 1993, and by establishing emergency contingencies for various programs. Thus, by seeking to keep everyone happy, the subcommittee avoids difficult choices on overall spending priorities, and locks in spending under next year's domestic discretionary spending cap.

If we engage in these budget games this year, I can only guess at the extent of the games next year. Not only are we limiting our funding choices next year by locking in spending now, we will be operating under a domestic spending cap that is no less constrained.

I am voting against this conference report for the budget games it plays, for the limitations it puts on the Appropriations Committee next year, and for the undue pressure I believe it puts on the budget agreement next year.

DELAYED OBLIGATIONS

I must say, Mr. President, that this is not the only subcommittee that has engaged in the practice of delaying the obligation of funds until next year.

Nor is it just the Congress that has proposed such a policy. The administration's budget for fiscal year 1992 requested delays in obligations for the National Institutes of Health.

However, it is the Congress that has played this game to a significant extent. Of the estimated $4.1 billion in delayed obligations in just the domestic discretionary appropriations bills, $3.1 billion, or 75 percent, of the delays are in this bill.

The Labor-HHS-Education Subcommittee saves $1.3 billion in outlays in the pending bill by delaying the obligation of $3.1 billion in budget authority until late in the fiscal year, pushing spending into the outyears. In adopting this conference report, we spend $850 million of next year's discretionary outlays cap.

In enacting all domestic discretionary bills, Congress has spent $4.1 billion in budget authority and $1.4 billion in outlays under the fiscal year 1993 domestic discretionary spending cap. In so doing, it has spent this budget authority and avoided counting $1.9 billion in outlays associated with this spending against this year's cap.

There is no valid policy reason to engage in this practice. Rather, it is a device to minimize near-term outlays, and spend all available budget authority under the spending caps for which no outlays remain.

Mr. President, I ask unanimous consent that a table displaying the delayed obligations in the domestic spending bills be printed in the RECORD.

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

DELAYS OF OBLIGATIONS IN 1992 APPROPRIATIONS BILLS

Appropriations bill/program	1992 budget authority	1993 outlays
Agriculture:		
Cooperative state research service	25	6
CCC: Market promotion program	28	28
Subtotal, Agriculture	53	34
District of Columbia:		
D.C. General Hospital	1	1
Board of Education	9	9
Subtotal, D.C	10	10
Interior:		
Miscellaneous payments to Indians	41	37
U.S. Fish and Wildlife, construction	13	2
Indian Health Service	5	4
Subtotal, Interior	59	43
Labor/HHS/Education:		
HRSA, healthy start	125	34
Centers for disease control	134	21
NIH	575	(14)
LIHEAP	406	256
Refugee and entrant assistance	117	83
SSA LAE	80	0
Community services block grant	29	11
Child care assistance	825	289
State unemployment and employment service	30	12
Human development services	25	13
ADAMHA	165	(18)
Head Start	250	102
Community Health Centers	55	21
Comprehensive Child Development	20	3
Voc and Adult Education	60	7
Chapter 1	152	18
Impact Aid	2	2
Student Financial Aid	62	6
Higher Education	24	3
Star Schools	1	1
Subtotal, Labor/HHS	3,136	850
VA/HUD:		
VA medical care	413	254
General Operating Expenses	42	0
Public housing operating subsidies	294	136
Neighborhood investment corporation	5	3
Subtotal, VA/HUD	754	393
Treasury-Postal:		
Customs, O&M	15	6
IRS Information System	97	58
Subtotal, Treasury-Postal	112	64
Total, all bills	4,124	1,394

Note—Prepared by SBC minority staff, Nov. 6, 1991.
Source: Congressional Budget Office.

Mr. DOMENICI. Mr. President, my colleagues may recall a statement I made criticizing this very practice when the Senate considered this bill. It was in the context of this bill overall, and of the Wirth amendment in particular, that utilized all remaining budget authority under the subcommittee's allocation when no outlays remained. The subcommittee spent this budget authority and got around the lack of outlays by delaying the actual expenditure to these funds until fiscal year 1993.

The distinguished chairman of the full Senate Appropriations Committee, Senator BYRD, joined me in opposing this budget device.

He and I realize that unless the subcommittees responsible for such delays are held accountable for the resulting outlays in their section 602(b) allocations next year, all domestic subcommittees will be penalized for these spending excesses.

Yes, there are some who find the restraint in the budget agreement difficult to live with. No, the Congress will not get around the spending caps in the budget agreement by delaying outlays until next year. We may spend money we don't have in the near-term, but we will limit our spending choices next year by spending outlays under the fiscal year 1993 cap.

I would say, Mr. President, that the Congress has the potential to significantly increase the use of this budget device in the upcoming conference on the defense appropriations bill. The House-passed version of the defense appropriations bill delays the obligation of $3.3 billion in budget authority, resulting in $2.24 billion in outlays under the defense spending cap in fiscal year 1993.

If the final conference agreement on the defense appropriations bill includes this House provision, the fiscal year 1992 appropriations bill includes this House provision, the fiscal year 1992 appropriations bills will delay the availability of $7.4 billion in budget authority until late in the fiscal year, resulting in fiscal year 1993 outlays of $3.6 billion charged against the total discretionary spending caps.

ADVANCE APPROPRIATIONS

Delayed obligations are not the only device this subcommittee uses to delay difficult choices, The conferees also promise spending they can't find within the current subcommittee allocation by providing advance appropriations totaling $1.3 billion for next year in this bill.

So adding up the delays and the advanced appropriations, the Labor-HHS appropriations bill spends $4.4 billion in budget authority and $1.2 billion in outlays that affect in some way next year's domestic discretionary spending cap.

CONTINGENCIES

The committee also jumped into the game of contingency appropriations. In other words, the committee provides funding but makes it contingent upon some action, such as a declaration of emergency by the President.

This bill includes $380 million in new, emergency contingency appropriations for which outlays are not reflected in this bill.

For example, what is the actual program level for the Low-Income Home Energy Assistance Program in this bill. If asked, the chairman might say $1.8 billion. However, upon the date of enactment, the amount of funding that will be apportioned for the LIHEAP Program will be just over $1.0 billion, for that is the amount that is appropriated in this conference report that becomes available upon the signing of the bill into law.

The remaining $800 million consists of: $80 million declared a congressional emergency, $405.6 million that becomes available only on the last day of fiscal year 1992, September 30, 1992, and $300 million that becomes available only if the President submits a formal budget request designating these funds as an emergency, and therefore, outside the domestic spending cap.

While the $405.6 million will become available, I fail to see how the administration can carry out the conferees' directive to spend it all in fiscal year 1992. Even for the Federal Government, it is difficult to spend so much money for one program in 1 day.

Mr. President, I ask unanimous consent that a table displaying the delayed obligations, advance appropriations, and contingency appropriations in the Labor-HHS-appropriations bill be printed in the RECORD.

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

Budgetary gimmicks in 1992 Labor-HHS appropriations bill

[Dollars in millions]

Delays in obligations:	
HRSA, healthy start	125
Centers for disease control	134
NIH	575
LIHEAP	406
Refugee and entrant assistance	117
SSA LAE	80
Community services block grant	29
Child care assistance	825
State unemployment and employment service	30
Human development services	25
ADAMHA	164
Head Start	250
Community health centers	55
Comprehensive child development	20
Voc and adult education	60
Chapter 1	152
Impact aid	2
Student financial aid	62
Higher education	24
Star schools	1
Subtotal, delays in obligations	3,136
Advanced appropriations:	
Training and employment, summer youth	188
State legalization (SLIAG)	1,123
Subtotal, advanced appropriations	1,311
Contingency appropriations:	
LIHEAP emergency allocation	300
LIHEAP congressional emergency	80
Subtotal, contingencies	380
Total, all gimmicks	4,827

NOTE.—The advanced and contingency appropriations listed here are not all inclusive but rather reflect advances and contingencies not typically included in the Labor-HHS appropriations bill.

SOURCE.—Prepared by SBC Minority Staff, November 6, 1991.

Mr. DOMENICI. Finally, Mr. President, earlier this week, I read in the Washington Post an editorial that may lead some of my colleagues to believe that the 1990 bipartisan budget agreement is not exactly working as intended.

That editorial focuses on two issues relating to congressional action on the fiscal year 1992 appropriations bills. The first issue is the practice of delay-

ing the obligation, or actual expenditure, of funds into a future fiscal year, which I have already addressed. The second issue is congressional action on a multibillion-dollar dire emergency supplemental appropriations bill, which passed the House on October 29.

The author of that editorial would have us believe that these actions are designed to stuff the budget agreement with excess spending, and thus, that the Congress is finding its way around the airtight and tamper-proof rules of the budget agreement.

I can state with certainty that these excesses will not go unchallenged by the budget agreement. To the contrary, this spending will be accounted for, and charged against, the spending caps enacted as part of the Budget Enforcement Act of 1990.

As I stated earlier, the $1.4 billion in outlays associated with the delay of obligations in the fiscal year 1992 domestic appropriations bills will be charged against the fiscal year 1993 spending cap, as will any fiscal year 1993 advance appropriations.

The budget agreement will also address the excesses of the House's dire emergency supplemental appropriations bill. With the completion of the pending Labor-HHS appropriations bill, almost all of the spending authority under the fiscal year 1992 domestic discretionary spending cap will be utilized.

Thus, the enactment of the dire emergency supplemental appropriations bill will trigger an across-the-board sequester of all domestic discretionary programs by the amount of the overage included in that bill. A preliminary estimate of this sequester is $4 billion, which would cause a sequester of between 1 and 2 percent.

So, if my colleagues are beginning to wonder if the budget agreement is working, I would say that in my opinion it is working as intended.

In fact, it is retraining spending, and Congress is feeling the pinch, as these two bills prove.

Yes, the Congress can spend money it does not now have, as the pending bill, and other bills, prove. No, it will not be outside the discipline of the budget agreement.

Mr. President, I ask unanimous consent that the editorial appearing in the Washington Post on Monday, November 4, 1991, be printed in the RECORD.

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

[From the Washington Post, Nov. 4, 1991]

AND HOLD THE STUFFING

Especially as they affected appropriations, the new budget rules adopted last fall were supposed to be airtight and tamperproof. For all five years of the budget agreement, they imposed explicit dollar ceilings on spending subject to the appropriations process. For the first three years, through 1993, sub-ceilings were imposed as well on defense, international affairs and total spending from domestic appropriations. Among other things, it was said that these and other safeguards would keep both branches from indulging in what had been a favorite pastime before: pretending to hit budget targets by conveniently moving spending from one fiscal year to another so that it never got counted.

The problem is that any lock the president and Congress design, they can also pick. Thus the administration in its budget for this fiscal year began a process that the appropriations committees have now perfected, of backloading or overstuffing their bills through what are known as delayed obligations. They approve the money but say the spending can't begin until more or less the last day of the fiscal year; the effect is to kick it into the next year.

To enable the appropriators to satisfy all the health and education groups after them for money and still not break the budget agreement, the appropriations bill for labor, health and human services contains more than $4 billion in such delayed obligations. To accommodate the administration's space program without offending other not-to-be-denied constituencies, the bill providing funds for veterans, housing and independent agencies contains perhaps another $700 million.

The question is, what then happens in 1993? Rep. Neal Smith of Iowa, the third-ranking House Appropriations Committee Democrat, has warned that, given the spending ceilings, the carryover spending will be such that "you won't even have enough money for cost-of-living increases" in many programs—and these are votes that Congress will be taking just as it adjourns for the elections. But advocates of the overstuffing see it as a legitimate forcing device that one way or another—at the expense of higher taxes, a higher deficit or cuts elsewhere in the budget—will help the favored programs; they think it's worth the price.

A similar step has now been taken in the House in connection with the "dire emergency" supplemental appropriations bill passed last week. It includes an extra $1.4 billion for Head Start and other programs for poor children, which it would have the president exempt from the 1992 spending ceiling under his emergency powers. You then also have to ask, what would become of these increases in 1993? Would Congress with the election approaching cut the programs below the year before?

It's well understood that the spending ceilings will have to be adjusted for fiscal 1994, the budget for which will be the first submitted to Congress after the election. The artificially low spending ceiling for that year is already a forcing device; if it isn't eased through an increase in either taxes or the deficit, there will have to be huge cuts in defense, domestic spending or, more likely, both. In that sense you could say that what the overstuffers are doing is merely moving up a year and ahead of the election a set of choices that will have to be made anyway. But Congress also owes an explanation if it follows their lead. It's easy to assemble a majority in favor of increased spending. Where's the majority for paying for it?

Mr. DOMENICI. Mr. President, I oppose this conference agreement, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Who yields time?

Mr. HARKIN. Mr. President, how much time do I have left?

The ACTING PRESIDENT pro tempore. The Senator has 4 minutes.

Mr. HARKIN. Mr. President, I want to respond to the Senator from New Mexico just a little bit here. I will point out, Mr. President, that our bill is under the 602(b) allocations; no points of order lie. There is no legal prohibition against delays. It has been done for years; it has been done in the Defense bill for years.

I hear a lot of sound and fury about the delays in this bill. But you should know, however, Mr. President that the President's request, his own request included $1.4 billion of delayed obligations. The House included $1.8 billion. The conference agreement includes $3.1 billion.

I also will point out, Mr. President, that six other appropriations bills also include delays. The House Defense bill includes over $3.3 billion in delays. The distinguished Senator from New Mexico, a good friend of mine, and I mean that sincerely, is here talking about the delays in this bill that he indicated may force him to vote against it. But the Defense bill includes delays. I did not hear anybody get up and talk about the Defense bill, and it had $3.3 billion in delays. No one stood and talked about it.

But all of a sudden now, this bill, the one that funds education and health care, the one that funds, as Senator KENNEDY said, low-income heating and energy assistance programs to help keep people warm in the winter, now all of a sudden we hear there may be something wrong about the delays.

Mr. President, there is nothing wrong with the delays. The fact is it has been done before; it is legal. We are under our 602(b) allocations. In fact, we are enough under our allocations that no sequester would arise on this. We are quite a bit under in both budget authority and budget delays.

I would point out, of the delays, ours is only 2 percent of the total; 2 percent of our total bill is delayed obligations.

I really hardly think that delays raise too many red flags.

Again, I will just point out to the distinguished Senator one of the problems we had was that many Senators had programs they wanted increased. To accommodate some of the things like the Centers for Disease Control, NIH, alcohol and drug abuse, mental health, low-income home energy, refugee assistance, student financial assistance, to compensate all those, the only way we had under the budget agreement was with the delayed obligation. Since it has been done before, there is nothing illegal about it. It is perfectly permissible; no points of order lie. That is the way we were able to accommodate the real needs in our society.

Mr. President, this talk about delayed obligations is not really a sound argument for voting against this bill. Again, the important thing, as I said before, is to untie the gag rule. That is what is important about this bill, so

that women can get the information they need to make their own decisions.

Before I close, Mr. President, let me thank my distinguished colleague and friend from Pennsylvania, Senator SPECTER, and all of the staff on both sides, majority and minority, for their great work in getting a tough bill through. This was a tough, tough process all year. We had to make some hard decisions, some hard choices. Not all the programs we wanted to fund were funded at the levels people wanted. But these are the hard decisions that had to be made. I thank Senator SPECTER and his staff for all of the work they did in an open and conciliatory manner, and with that produced a fine bill given the circumstances.

Mr. President, I ask for the yeas and nays on the conference report.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Who yields time?

Mr. SPECTER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have very great respect for my distinguished colleague from New Mexico, and I can understand the concerns which he has expressed on some of the delayed appropriations. We are really battling to find some way to fund programs which are so meritorious but which simply cannot be comprehended in any other way. It is my argument that this is acceptable under the prevailing law and that this conference report ought to be adopted.

I thank my distinguished colleague from Iowa for his generous comments. He has labored long and hard on a very difficult bill with the staffs on both sides.

The conference was especially arduous. As we went into session with the House conferees under the distinguished chairmanship of Chairman NATCHER, who has no peers in the Congress on this kind of legislation, we conferred and we disagreed and recessed, and then we reconferred and disagreed and recessed, and then we rereconferred and went back and forth again and again and again as we tried to hammer out a conference report.

My comment during the conference was that we were arguing about a series of A-plus items and it was a question of how we accommodated many tremendous demands. This bill is a good bill, a product of compromise, extending as many funds as we could to very important programs—education, health, human services, and labor.

Of paramount concern, Mr. President, is the provision which will modify the Rust versus Sullivan decision. I urge the President to sign this bill.

I thank the Chair and yield the floor.

Mr. DOLE. Mr. President, the Republican sweep of the New Jersey Legislature sends a loud and clear message to politicians everywhere—voters are waking up to the fact that you can't have it all and not pay for it. Eventually the tax man, or in this case the Democrat Governor of New Jersey, comes to collect.

Well, today we have our first opportunity to let the voters know we have heard their message. We can vote against the Labor/Health and Human Services conference report which promises Americans more—$4.1 billion more—than Congress can pay for.

How can this be? Don't we have a budget agreement? Well, while the negotiators of last year's budget agreement cracked down on a number of budget loopholes, they did not anticipate the latest smoke and mirrors trick—delayed obligations. The way this gimmick works is that budget authority is delayed until the last day of fiscal year 1992. Outlays are then scored against fiscal year 1993 allocations.

Although delayed obligations free up money in the short run, it is about as fiscally sound as using your Visa to pay your Mastercard bill. Such a large shift in spending will make the task of keeping fiscal year 1993 domestic discretionary spending within the spending caps extremely difficult—creating a fiscal time bomb to blow off the limits on domestic spending next year.

Let me say up front that this is not the first time delayed obligations have been used to get around spending restraints. A number of appropriations subcommittees are guilty, and yes, even the President has included delayed obligations in his budget request. The Labor/HHS conference, however, has exceeded anything that has been done to date. The time has come to put a stop to this practice on both ends of Pennsylvania Avenue.

I will be the first to admit sticking to the budget agreement is painful. But as difficult as the choices we face are, now is not the time to bust the spending caps. Losing the discipline of last year's budget agreement will result in only one thing—a tax increase. No, the only answer is to do something that is almost unheard around Congress—make some tough choices about which programs should be cut back or even eliminated. It won't be easy, but maybe the voters will give us credit for having a little courage for a change.

TITLE X

There is one other item in this conference report I wish to address—the so-called gag rule. I remain concerned that certain restrictions on counseling by title X agencies would interfere with the free exchange of information between health care providers and their patients. While I strongly believe that abortion is not family planning and should not be encouraged, we should take the greatest care in regulating the deeply personal and confidential relationship between providers and patients. I regret that no compromise could be reached with the administration on this issue, but I continue to hold out hope that there is still a chance.

CONCLUSION

Finally, I want to say that voting against an appropriations bill brings me no great pleasure. This is the first appropriation bill I have voted against all year. That record is a tribute to the leadership of the distinguished chairman of the Appropriations Committee, who has always tried to avoid playing politics with the budget. If his advice on the Labor/HHS appropriations bill had been heeded, I believe the Senate would be voting on a much better conference report.

If we reject this conference report today, Congress can begin work on fixing the problems with this bill immediately. If we instead allow a Presidential veto, we delay new funding for such important programs as Head Start and cancer research at the National Institutes of Health. That is why I urge my colleagues to vote "no" on the Labor/HHS conference report.

Mr. DODD. Mr. President, I rise in strong support of the conference report on the Labor-HHS-Education appropriations bill. This bill, more than any other that comes before us, defines our commitment as a Nation to addressing the social problems that make this a difficult time for many American families. Even in a time of great fiscal constraints, the conferees have been able to hold the line, and even expand, funding for vital programs including LIHEAP, child care services, Head Start, education programs, and childhood immunization. These increases reflect my belief that preparing children for school and giving them a sound education must be a No. 1 priority for this Nation if it is to be competitive in the future.

I want to commend Senator HARKIN for his outstanding leadership in reaching this final agreement in a way that responds to the most pressing social needs across the Nation. It is always difficult to determine how best to stretch thin dollars to cover the many unmet needs of American children and families. But this year, that challenge has been more formidable than at any time I can remember. Yet, the conferees have made the tough decisions and targeted funding where it will make the most difference for millions of American families.

I am particularly pleased that the conferees prevailed in including a prohibition on implementation on the so-called gag rule. If implemented the gag rule would interfere with confidential doctor-patient relationships and compromise the health of thousands of American women. In a last ditch effort

over the last few days, the administration tried to blur the issues, but let's be clear about one thing. The gag rule is bad policy and must be rejected once and for all. It is critical that women of all incomes have access to full information about all options—whether for reproductive choices or other health care needs.

As chairman of the Senate Subcommittee on Children, Family, Drugs and Alcoholism and a member of the Education Subcommittee, I have been directly involved in the growth and development of many of the programs funded by this bill—Head Start, the child care and development block grant, the Child Abuse Prevention and Treatment Act, and the Low-Income Home Energy Assistance Program [LIHEAP]. I wish all of my colleagues could be present when we hold a hearing on one of these programs—there could be no doubt about what we are voting on today. The witnesses sound the same themes, time and time again. They describe the outstanding and proven records of these programs. They also tell the other part of the story: of the success of children who have attended Head Start and the two-thirds of eligible children who cannot participate for lack of funds; of the security parents feel when their children are in high-quality child care and the children who fill the child care waiting lists unable to find space with safe providers; of the overwhelming advantage of life a college education gives and the teenagers whose parents must struggle to piece together college tuition. So many of our social programs could be described in exactly the same words—they bring direct and immediate improvement in people's lives, they result in long-term societal savings far in exceeding their costs, and they serve only a small portion of those in need.

Mr. President, if we truly want to live up to our commitment to American families, we need to roll up our sleeves and figure out how to reach more families through programs that work. Regrettably, our job is made more difficult by an administration that continues to focus its attention and resources on world problems at the expense of any real domestic agenda. Too much of our attention in Labor-HHS-Education appropriations is drained by battles simply to protect effective programs from administration proposed slashing.

Throughout our history, we as Americans have shared a common goal—to make life better for our children than it was for us in our own time. Today—for the first time in our history—America's working families can no longer count on a better life for their children. Caught in a squeeze between changing family demographics, stagnant income, and rising basic costs, families now question whether the American dream is beyond reach.

During the 1980's, the wealthy grew even more prosperous, while working people were left far, far behind. I see the ravages of the 1980's throughout my State of Connecticut, and I know my colleagues see the damage across this country. But this Nation needs a President—a leader—who sees it as well. We need a President whose interest in the peoples of Bridgeport, New Haven, Hartford, Naugatuck, and Windham is as great as his interest in foreign affairs. As yet another company in Connecticut shuts down and the unemployment lines grow longer, it's time for President Bush to recognize the concerns and needs of families right here at home.

In the meantime, I am pleased with the steps taken by this appropriations agreement. Let me take a moment on a few programs of top priority for me and for my State of Connecticut.

The child care and development block grant, which I authored, would be funded at $825 million, which is its full authorization level and an increase of $93 million over fiscal year 1991. The Head Start program would be funded at $2.2 billion, an increase of $250 million over fiscal year 1991 and $150 million more than the administration request. Last year, I authored legislation authorizing full funding for Head Start; this agreement moves us a little closer to achieving that dream. Chapter 1 will be increased by more than $600 million. The children of our Nation deserve a seamless garment of programs and opportunities as they grow up, from safe child care to an affordable college education. The final appropriations bill helps to weave that seamless garment.

Mr. President, this week we have been given a taste of what could be a long, cold winter ahead of us. So, I am particularly appreciative of the conferees' successful effort to hold the Senate level of $1.5 billion for the Low-Income Home Energy Assistance Program [LIHEAP], which my Subcommittee oversees. The administration proposed cutting more than $600 million from this program; the House cut almost as much. LIHEAP is a lifeline for many people in my home State of Connecticut, where last year the program helped 92,000 households make it safely through the winter. I would like to have seen even higher funding levels, in view of the increased need generated by the recession. However, given the budget constraints and what to me is the inexplicable opposition to this critical program by the administration, I believe Senator HARKIN and the other conferees have accomplished a monumental feat in reaching this agreement on LIHEAP. The agreement also sets aside $25 million for a program I authored to provide incentives to States to establish public-private partnerships, using LIHEAP dollars to leverage additional State or private funds for the program.

The agreement also includes $73 million for construction and rehabilitation of Job Corps centers. This will cover the higher than anticipated costs of opening four centers, including the one in New Haven. I am very pleased that we will be able to bring this new program into the State. The New Haven center will provide disadvantaged youth with concentrated training and other services to help them become employed.

Finally, there are many, many ways in which this legislation would improve services to children and families. This long list reflects the recognition that a multitude of often small programs make a tremendous difference in people's lives. For example, the agreement doubles funding for critical programs to prevent and address domestic violence. In addition, the agreement significantly strengthens key health programs such as the community health centers and the maternal and child health block grant. In communities like New Haven—where we face very high infant mortality rates—these funds are desperately needed and can be put to immediate use. Finally, the agreement provides funds for another program I authored, one that would provide outreach to homeless children through mobile medical units—pediatric vans—that will reach children otherwise lost to our health care systems.

Mr. President, when we look back on 1991, the picture will be a mixed one. The people of Eastern Europe have made strides toward freedom and democracy, fulfilling their dreams. But the people of America have faced a growing economic squeeze and often crumbling social services. This appropriations bill has been an important opportunity to address the needs of American children and families directly and to give renewed hope to their dreams. Under tough circumstances, this agreement does a good job, and I am pleased to support it.

Mr. COATS. Mr. President, today we are taking up for consideration the conference report on the Labor-HHS appropriations bill. I am rising to oppose this report for two principle reasons. First, this bill exceeds the budget agreement by $360 million in budget authority, $732 million in outlays, and contains $4.1 billion in delayed obligations, a gimmick which Congress has frequently used during the appropriations process this year, to put off expenditures until the end of the fiscal year so they won't show up on the budget until fiscal year 1993.

Second, this legislation contains pro-abortion language which has the effect of not only permitting, but actually requiring abortion-related activities in our Nation's federally funded family planning facilities while eliminating even a simple requirement that parents

be notified before their minor child undergoes an abortion.

Whether we are spending the money this year or taking it out of next year's budget, it still amounts to expenditures that we cannot afford and should not be endorsing. They constitute a covert means of getting around the budget enforcement act passed at the end of last year.

Mr. President, for some time now, I have been attempting to fight the wasteful expenditures which are routinely tucked into important appropriations bills which would not merit approval on their own. In particular, I have been pushing for the passage of the legislative line-item veto act which I have introduced with Senator MCCAIN as a means of curbing low-priority projects or expenditures which are placed in these bills—often without the benefit of authorization—for special interests and narrow constituencies.

As the custodians of the portion of the American taxpayer's paycheck that the Federal Government takes every year—which now, in many cases, constitutes as much as one-third of an individual's income—I believe it is a very bad reflection on our institution to continue to send bloated appropriations bills which are full of pork or unnecessary programs or dishonest budget gimmicks to the President for his approval.

Mr. President, the second reason I will oppose this legislation is its radical treatment of the abortion issue. As reported from conference, this bill prevents the Secretary of HHS from implementing what I consider to be very reasonable regulations drawing a clear line of separation between abortion and legitimate family planning activities. Abortion is not a method of family planning and has no legitimate place in a federally funded family planning program. This legislation also rejects an effort supported by a majority of this body. I am speaking to a requirement that parents be notified at least 48 hours prior to their minor child's abortion. This body considered and passed two amendments requiring parental notification. Unfortunately, neither of those measures survived the conference.

Mr. President, a majority of Americans believe, as do a majority of the Members of this body, that a parent is in the best position to offer counsel and advice to a minor child considering the very serious abortion procedure. I simply cannot understand how we can pass legislation which clearly is aimed at tearing down the already fragile institution of the family. I for one can not and will not support such an effort. And I am confident that the President will honor his pledge of last June to veto this legislation if it contains language restricting the right of the Secretary of HHS to implement regulations regarding the use of funds for abortion.

Mr. President, I support many of the activities included in this legislation. Head Start, LIHEAP, the Education programs, cancer research, and many others too numerous to mention. However, the spending excesses contained in this legislation and the way in which this legislation deals with the very sensitive and controversial issue of abortion are testimony to the fact that we have not done a good job in dealing in a responsible manner with this bill. I am hopeful that after the President's veto is sustained, we will send to him a bill which he can sign and I can enthusiastically support.

Mr. DURENBERGER. Mr. President, I rise today to oppose the conference report on H.R. 2707, the Labor-Health and Human Services-Education appropriations bill.

Nearly 2 months ago, I voted for final passage of this appropriations bill. At that time, I had hoped that the conferees on this legislation would remove the contentious provisions so that a noncontroversial bill could be sent to the President for his signature. Instead, the many valuable programs counting on our support are being jeopardized—by fiscally irresponsible forward funding, and by the controversy over abortion counseling in federally funded title X clinics. The President has promised to veto this conference report because of the title X controversy.

This conference report would ban for 1 year the enforcement of title X regulations that separate the issue of abortion from family planning in federally funded title X clinics. Before this body votes against the enforcement of the regulations by approving the conference report, we must be sure that we understand the purpose of the title X program.

The title X program was created in 1972 to help Americans plan and prevent pregnancy. This program was not intended to be a full-service health program. If women who come to title X clinics for family planning services are tested and found to be pregnant, they necessarily require services that are outside of the scope of the title X program. A title X clinic is not designed to deal with all of the complex issues that surround pregnancy, but it should connect pregnant women with available health services that do.

Today, millions of low-income women receive essential family planning services from nearly 4,000 title X facilities. Every dollar that we spend on these services saves the Federal Government money in the long run.

But for years, the title X program has been underfunded because connections have been made between family planning services and the promotion of abortion. We have been unable for many years to reauthorize title X because of abortion-related issues which don't belong in family planning.

The administration's regulations, which prohibit abortion counseling and referrals in title X clinics, were an attempt to draw a clear line of separation between abortion and the essential family planning services that title X facilities provide.

Earlier this year, this body approved legislation that would overturn these regulations. During that debate, I offered an amendment that would have removed the abortion controversy from title X clinics, and would have ensured that women receive complete medical information about their pregnancy through referrals to prenatal and obstetrical care providers—health professionals who specialize in pregnancy. My amendment would have removed pregnancy counseling from the family planning setting, and would have facilitated entry of pregnant women into the health care system.

On November 5, the President sent a letter to the Secretary of Health and Human Services to clarify the purpose and intent of the regulations. This letter incorporates much of the language that I offered in my amendment. Through this directive, the President has addressed the concerns of those who feel that the regulations violate the freedom of speech or the confidentiality of the doctor/patient relationship. The President has ordered an interpretation of the regulations that will conform with the highest standards of medical care.

First, the President states that "Nothing in these regulations is to prevent a woman from receiving complete medical information about her conditions from a physician." In other words, doctors in title X clinics will not be gagged. They may answer any questions a patient asks and discuss any medical information—including information about abortion.

Nonphysician health professionals—who do not have the generalized training of physicians—will not be required to assume the responsibility of counseling on postconception issues. These title X professionals are usually nurse practitioners who have specialized training in contraceptions and venereal diseases, but who are not necessarily trained in the complex issues that surround a pregnancy.

Again, it is important to remember that title X clinics are limited medical settings that provide preconception services only. A pregnant woman should be referred to health care professionals who can provide her with complete medical information and services.

The President's letter outlines the responsible manner in which referrals should be made when women require services that are outside the scope of title X:

Title X projects are to provide necessary referrals to appropriate health care facilities when medically indicated.

If a woman is found to be pregnant and to have a medical problem, she should be referred for complete medical care, even if the ultimate result may be the termination of her pregnancy.

Referrals may be made by title X programs to full-service health care providers that perform abortions, but not to providers whose principle activity is providing abortion services.

This interpretation of the regulations, while preserving the separation of abortion from family planning, ensures that the health of women in title X clinics will not be at risk. Title X physicians will not be gagged. Mr. President, the regulations under this interpretation represent good medical practice, and their enforcement should not be delayed for a year.

There are those who will still disagree with the regulations, and they have every right to debate that issue. But they should not hold a funding bill hostage to that debate.

Mr. President, there is an additional issue that makes this conference report objectionable. This legislation contains $4.2 billion in delayed obligations. The programs that we are funding are all very valuable, but we are funding them in a fiscally irresponsible manner. Under the budget agreement that we reached last year, this means that we will have $850 million less to spend under next year's discretionary cap. This year's funding will cost these crucial programs drastic funding cuts next year.

Mr. President, for these reasons, I intend to vote against this conference report. I encourage my colleagues to do the same.

Mr. ROTH. Mr. President, I would like to take a minute to indicate that my vote against the conference report on H.R. 2707 is not related to the prohibition on the implementation of the so-called gag rule. In fact I am supportive of Senator CHAFEE's efforts to overturn the Rust versus Sullivan decision and voted with him on this issue this year as well as last year. I feel, however, as I did when the Senate considered H.R. 2707 in September of this year that this measure is fiscally unresponsible. I am also deeply troubled by the use of budget gimmicks to postpone outlays to the following fiscal year to stay within the budget caps. In closing I would just say that I hope we can come to some agreement on S. 323 in the near future without having to rely on appropriations language. It would be far preferable in the long run to adopt a permanent solution to the gag rule which many feel strongly about on its own merits.

Mr. ADAMS. Mr. President, I rise today in strong support of the conference report. This is a truly historic document for women. It overturns the gag rule, and it provides more than $100 million to the National Institutes of Health for women's health research.

There is a great deal else of importance in this bill, Mr. Chairman, and I applaud you for your hard work. But where women are concerned, this bill is a winner.

It increases funding for research on breast cancer by 46 percent over last year; provides $10 million for the office on women's health research, and $25 million for the women's health trial to look at the major causes of disease and death in mid-life and older women. But Mr. Chairman, I fear these gains are greatly threatened. President Bush has indicated he will veto this bill because of language to stop the gag rule.

Mr. President, the gag rule is dangerous public policy. It allows the Government to play doctor and decide what medical advice can be provided. It bans medical professionals from telling pregnant women about their legal medical options. And it prevents women from receiving complete medical advice, including abortion, even when they ask for it.

The White House sent a memorandum to the Secretary of Health and Human Services yesterday. That letter attempts to clarify the administration's regulations. But let's be clear. This memorandum is nothing less than a wolf in sheep's clothing. While it says: "that nothing in the regulations prevents a woman from receiving complete medical care." Nothing could be further from the truth.

The regulations forbid a woman who asks for a referral to an abortion facility from getting it.

The regulations forbid a woman from receiving information about all her legal medical options even if she asks for them.

The regulations forbid a woman from receiving counseling from anyone other than a physician, although the majority of clinics rely on nurse practitioners, supervised by a physician.

We will not be fooled by this false bill of goods, Mr. President. The women in this country won't be fooled either.

These regulations are mean spirited. They deliberately relegate low-income women, primarily young women and minority women to second-rate health care. They say to poor women, young women, minority women, don't expect to hear the truth here. Don't expect to have the same health care options that other women have.

Congress must make no compromise where women's health is concerned. We must support this conference report—because of what it provides for women, and we must override the President's veto, and we will.

Our vote today sends a strong message that the Senate will not tolerate second-rate medical research and health care for women—whether it's in the laboratory, or in the doctor's office.

We can do no less for the women in this country.

Mr. HATFIELD. Mr. President, I support the Labor, Health and Human Services, and Education appropriations conference report that is before the Senate today. I would like to take this opportunity to thank the chairman of the subcommittee, Senator HARKIN, and the ranking member, Senator SPECTER, for doing a superb job in a very difficult budget year.

I would like to highlight a few of the programs in which I have taken a personal interest.

HEARING RESEARCH

Mr. President, an estimated 13.4 million persons, or nearly 1 in every 20 Americans suffer from hearing impairments. Hearing loss, whether from excessive noise, the aging process, disease, or some other cause, imposes a serious hardship, not only upon the affected person, but also upon family, loved ones, and all those who come in contact with that person. While the medical and scientific communities have developed an arsenal of treatments for many disorders, research into hearing problems has been relatively limited. Most research on deafness and other hearing impairments in this country is aimed at prevention. This bill contains $149.8 million for the National Institute on Deafness and Other Communications Disorders. In addition, $6 million has been provided within the rehabilitation services and disability research account for a grant to a hearing research center to conduct basic and applied research. These funds will help produce clinical methods that physicians and the medical products industry can incorporate into practical treatments for hearing problems. In 1985, the Oregon Hearing Research Center received such a grant, and since that time much progress has been made in the treatment of tinnitus and in the area of implantable hearing aids.

BIOMEDICAL RESEARCH

Ill health and its consequences are not confined to any State or region, to any race, age, or sex, or to any occupation or economic level. The health of this Nation is a matter of national concern. This bill contains $9 billion for the National Institutes of Health, an increase of $733.7 million above the fiscal year 1991 appropriation. This increase in funding will help to find the cures for those who suffer from the diseases that affect so many in this Nation—cancer, heart disease, arthritis, and neurological disorders—as well as the lesser known illnesses such as epidermolysis bullosa, interstitial cystitis, and sudden infant death syndrome.

ALZHEIMER'S

According to the National Institute on Aging, an estimated 4 million persons now suffer from Alzheimer's and unless a cure or prevention is found, the Institute projects that as many as 14 million Americans will be stricken by the middle of the next century. Mr. President, if we can find a treatment

that keeps even 10 percent of the patients out of nursing homes for a year, this country would save $8.8 billion annually. My goal is to double the amount being invested for Alzheimer's disease research. As a down payment in reaching that goal, the bill provides $280 million for research into the cause and cure of this disease, more than halfway toward reaching that goal. Also included in this bill is $4 million for a new State grant program to help families caring for Alzheimer's patients at home.

AIDS

Mr. President, since 1981, over 110,000 AIDS deaths have been reported in the United States and by 1993, the toll may be as high as 340,000. The World Health Organization estimates that 8 to 10 million people are currently infected with the virus. The bill before us today provides $1.9 billion to confront this merciless killer, care for its victims and continue the search for preventive treatments. First time funding for AIDS research was funded in 1981 at a level of $5.5 million. This dramatic increase in just a few short years demonstrates the commitment on the part of the Congress to ridding the world of this disease.

In addition, Mr. President, the conference report provides funds to continue expanding research for an AIDS vaccine. The Senate bill specifically urged that $6 million be appropriated for this cause. Mr. President, I have long been an advocate of research for an effective AIDS vaccine. The development of such a vaccine would be a critical step toward curbing the rise of the AIDS epidemic that is affecting the entire world. I would like to submit in full, for the RECORD, my correspondence with Dr. Anthony S. Fauci, the Director of the National Institute of Allergy and Infectious Diseases. This correspondence reflects my strong interest in finding an AIDS vaccine, and indicates the progress that is being made in this regard.

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

COMMITTEE ON APPROPRIATIONS,
Washington, DC, May 21, 1991.

Dr. ANTHONY S. FAUCI, M.D.,
Director of Office of AIDS Research, National Institutes of Health, Bethesda, MD.

DEAR DR. FAUCI: I am writing concerning the present status of research for an AIDS vaccine. The development of an effective AIDS vaccine is a critical step toward stemming the rise of the AIDS epidemic in this country and worldwide. Accordingly, issues concerning AIDS vaccine trials were raised on several occasions during the recent testimony before the Senate Appropriations Subcommittee on Labor, Health and Human Services and Education.

It is my understanding that there are several pharmaceutical companies currently developing AIDS vaccines. However, no clinical trials to determine efficacy in humans have been conducted to this date. In an effort to facilitate development, suggestions have been made to the Subcommittee that Federal funding be made available for the commencement of such trials immediately.

I am interested in knowing the status of efficacy trials for an AIDS vaccine and if there is a scientific consensus which warrants moving forward with these trials at this time. I would also appreciate being informed of the National Institutes of Health's perspective on this issue and hearing your comments regarding the circumstances under which human efficacy trials should be pursued.

Thank you for your attention to this matter. I am looking forward to hearing from you soon.

Kind regards.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

NATIONAL INSTITUTES OF HEALTH,
NATIONAL INSTITUTE OF ALLERGY
AND INFECTIOUS DISEASES,
Bethesda, MD, June 13, 1991.

Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: I am writing in response to your letter of May 21 regarding the status of efficacy trials for an AIDS vaccine and whether there is a scientific consensus that warrants moving forward with such trials at this time.

As background, it is important to state that enormous strides have been made in HIV vaccine development. Pilot clinical trials of candidate vaccines have demonstrated safety and immunogenicity in man and some evidence of protection in a number of animal models. Consequently, there is a good possibility that a number of candidate HIV vaccines may be ready to consider for large scale efficacy trials within the next several years. Currently, there are eleven different products classified as AIDS vaccines that are being evaluated, either alone or in combination, in clinical trials worldwide. These products are being studied both as therapeutic agents for individuals already infected with the HIV, and as prophylactic agents in individuals who are not infected with the virus. All of the products intended for prophylaxis are undergoing evaluation for safety and immunogenicity. The National Institute of Allergy and Infectious Diseases (NIAID) is conducting or supporting studies involving eight of these eleven products.

Regarding your question whether a scientific consensus exists that warrants moving forward with efficacy trials at this time, let me state first that we have a comprehensive process designed to scientifically review in detail candidate AIDS vaccines and select for funding the most promising approaches. This process has relied heavily upon the advice of scientific leaders in the field to make the critical and difficult decisions regarding selecting vaccines candidates. We have used several standing committees, including the National Advisory Allergy and Infectious Diseases Council, the NIAID AIDS Research Advisory Committee, and the NIH AIDS Program Advisory Committee. In addition, we have solicited input from several ad hoc committees of top scientists who are working on HIV vaccines and have important expertise in related scientific areas. Thus, throughout the year, these meetings have been taking place to provide a forum for leaders in the field to discuss the future of HIV vaccine research and development.

Two prominent issues have been identified by these experts which remain to be resolved before large-scale efficacy trials can proceed: (1) whether a vaccine's success should be demonstrated first in animal models before beginning large efficacy trials in man; and (2) the selection of vaccine type.

On the first issue, there is considerable agreement among scientific experts that a vaccine must first show safety and the ability to prevent infection (or possibly disease) in animals before large efficacy trials in people should be initiated. This consensus is based on our current level of understanding regarding several attributes of HIV, including such issues as: (1) the lack of adequate knowledge of what confers immunity to HIV; (2) our limited understanding of the degree of individual variation in the immune response and the complexity of immune response to the virus; (3) the high degree of viral genetic variation and our need to understand its importance; and (4) the lack of strong protective immunity evoked by the vaccines now in early clinical investigation.

Regarding the selection of vaccine type, experts agree that insufficient information exists to make such as choice at the present time. There are considerable advantages and disadvantages to various vaccine types in terms of safety and the type of immune responses they may evoke. In fact, it is now thought that a combination approach using more than one vaccine type may be preferable for eliciting a broad-based immune response. It is further possible that different vaccines may be needed for different populations. Much research remains to be done before we can determine which of the several possible vaccine types would be best, either alone or in combination for the U.S. and other populations.

In summary, there is a high degree of consensus, supported by the issues outlined above, that it is premature to select a vaccine for large efficacy trials from the products currently available because we do not have sufficient information concerning their efficacy. We at the National Institutes of Health, in active collaboration with other agencies and organizations sponsoring vaccine research, are proceeding expeditiously to gain the information to judiciously select one or more vaccines to evaluate in large efficacy trials. We are also working to develop the infrastructures needed to ensure the ethical and timely conduct of such trials.

I appreciate your interest in the activities of the National Institute of Allergy and Infectious Diseases. If I can be of further assistance, please do not hesitate to call upon me. Best personal regards.

Sincerely,

ANTHONY S. FAUCI, M.D.,
Director, National Institute of Allergy and Infectious Diseases.

PREVENTION

Mr. HATFIELD. Many of the health issues this Nation faces today could be greatly reduced or even eliminated if we focused more of our human and material resources on preventing the cause rather than finding the cure for many of our health problems. This bill includes $1.5 billion for the Centers for Disease Control for programs to improve the health of Americans. In addition, $650 million is recommended for the maternal and child health block grant which will fund the program at the fully authorized amount. These funds will expand maternal and infant health delivery systems for women and children. Also provided, Mr. President, is an increase of $94 million to expand

substance abuse treatment services to combat such problems as fetal alcohol syndrome, the leading cause of birth defects and mental retardation in the United States today.

DISLOCATED WORKERS

Mr. President, as you well know, many of the communities in the Pacific Northwest are almost entirely dependent upon the forest products industry for their source of employment. In recent years, changes in Federal environmental policy, such as the listing of the spotted owl as a threatened species, are endangering the livelihood of many Oregonians. To help address this problem, the bill before us today contains $577 million for quality training and other readjustment assistance to help retrain and reemploy dislocated workers. In addition, a portion of the $1.3 billion provided for vocational education has been directed to develop specialized training and demonstration programs in the Northwest as well as other regions of the country plagued by the threat of unemployment.

EDUCATION

Some of my colleagues may recall that Soviet advances in space exploration during the late 1950's prompted Congress to pass the National Defense Education Act. That legislation was intended to close the science and engineering gap that left us lagging behind the Soviet Union. Today, we face the same kind of challenge, only now the adversary is ourselves. I have been actively involved in efforts to increase the funding for the Eisenhower Math and Science Program as well as other education programs which focus on strengthening the economic competitiveness and national security of the United States. I am pleased, that at my urging, the bill before us today contains $240 million for the Eisenhower Math and Science Education Programs. These programs will assist the students of this Nation to achieve the basic math and science skills required to participate fully as workers and citizens. In addition, Mr. President, $12 million is included to establish a regional network of consortiums to provide technical assistance to schools undergoing reform of their math and science education programs, and $3.5 million for the establishment of a National Clearinghouse for Science, Math, and Technical Education Materials.

URBAN GRANTS

Mr. President, over the past year I have been actively involved in efforts to secure funding for urban community service grants. I am tremendously pleased that the bill before us today includes $8 million for this program. These grants will assist universities in responding to the needs and priorities of the metropolitan area in which they are located, and carry out programs to make postsecondary education opportunities more accessible to residents of that particular region.

FOREIGN LANGUAGE ASSISTANCE

Mr. President, this country is still not producing enough individuals capable of functioning in an increasingly global society. To help address the problem, this bill contains $10 million for an elementary and secondary foreign language assistance program, which will give students the opportunity to begin language study in the early grades so that useful levels of efficiency may be obtained.

STUDENT AID

The committee bill contains over $6.9 billion to make higher education affordable to all students who wish to pursue a college degree. Within the total, $5.4 billion has been included for the Pell Grant Program, which provides aid to financially needy undergraduate students. This amount will provide a maximum grant of $2,400 to over 3.4 million students. Supplemental educational opportunity grants are funded at $577 million, which will provide grants to approximately 850,000 undergraduates.

LIBRARIES

And last but not least, Mr. President, is funding for library services. These funds will help eliminate the barriers brought about by age and physical disability, thereby making libraries accessible to all persons. Library funds are also used for research, resource sharing, and adult literacy programs. Included in this year's bill is $147.7 million, increased $4.8 million over fiscal year 1991 amounts.

Mr. President, again, I want to thank Senators HARKIN and SPECTER, as well as the other members of the subcommittee and their staffs for their hard work and cooperation.

Mr. BROWN. Mr. President, the fiscal year 1992 Labor, HHS, and Education conference report exceeds the budget by $700 million according to the Office of Management and Budget.

I opposed final passage of H.R. 2707 when it was before the Senate because it was over budget. I also support the language in this bill which effectively suspends enforcement of the 1988 title X regulation, known as the gag rule.

I supported passage of S. 323, which would have insured that pregnant women who rely upon title X clinics for initial diagnosis would be fully informed of their medical and legal options as well as related services available in their communities.

On August 2, I joined Senator CHAFEE and several other Republican colleagues in sending a letter to the President requesting that he not take action to implement the 1988 regulations before Congress has the opportunity to take final action on legislative measures such as S. 323 and H.R. 2707.

The administration has made it clear that the President will veto this bill if it contains language suspending enforcement of title X regulations and expanding the conditions under which Federal funding can be used to provide abortion services for Medicaid recipients.

Because the issue regarding this bill has now become suspension of the gag rule, I will vote for H.R. 2707. If the President vetoes H.R. 2707 on the basis of the gag rule language, I will vote to override the veto.

My hope is that in the future the Presidential veto will be used to control runaway spending. In that cause the President will have my support.

HOME HEATING ASSISTANCE FUNDING CRITICAL TO MINNESOTA

Mr. WELLSTONE. Mr. President, I rise to urge my colleagues to support the conference report which accompanies H.R. 2707, the Labor, HHS, and Education appropriations bill for fiscal year 1992. This legislation, providing $205 billion in critical funding for a wide range of Federal labor, human service, and education programs, must be adopted by this body soon so that the immediate needs of Americans in health care, education, heating assistance, refugee relocation, workplace safety, job retraining, child care, and many other areas can be met.

Of all the important programs funded in this measure, I would like to focus on one urgent area of need for my Minnesota constituents: low-income energy assistance.

I am deeply concerned, and have been throughout the last 6 months, about funding for the Low-Income Home Energy Assistance Program [LIHEAP] provided in the bill. Especially in Minnesota, buffeted by up to 36 inches of snow in the last 10 days, with temperatures dipping down almost to zero and windchills well below zero, the uncertainty surrounding Federal heating assistance funds pending in Congress has caused major anxiety and hardship.

There are people right now throughout Minnesota—in urban, rural, and suburban areas alike—waiting in their homes, their furnaces unlit or redtagged by municipalities, struggling to find ways to heat their homes. They have been waiting for weeks—in the midst of one of the largest storms in Minnesota history—for word to come through on whether and at what level they will be eligible for heating assistance funds. We must not let them down by delaying further this critical funding.

In June, I wrote to Chairman HARKIN of the Senate Subcommittee on Labor, Health and Human Services, and Education, urging him and his subcommittee colleagues to provide $1.67 billion in funding for this program for this fiscal year. This amount represented a modest $60 million increase over last year, to allow the program to keep pace with inflation. I would like to insert at this point the text of that letter

for the RECORD which explains and justifies that funding request.

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

U.S. SENATE,
Washington, DC, June 28, 1991.

Hon. TOM HARKIN,
Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We write to thank you for your support last year for the Low Income Home Energy Assistance Program (LIHEAP) and to request your continued support this year. Specifically, we urge the Appropriations Subcommittee on Labor, Health & Human Services, Education and Related Agencies to provide $1.67 billion in fiscal year 1992 funds for LIHEAP. This request represents a $60.0 million increase, or just enough to keep pace with inflation. We understand that eleven Appropriations Committee members wrote to you on June 3, 1991 also requesting $1.67 billion.

Federal funding for LIHEAP peaked at $2.10 billion in fiscal year 1985. Since then it has declined by nearly 30 percent in real (inflation-adjusted) dollars as measured by the Consumer Price Index for household fuels and other utilities. As a result of this reduction, nearly one million households have lost benefits. Fewer than six million households currently receive LIHEAP benefits nationwide; 18 million to 25 million households were eligible prior to the economic downturn. Another two million people are newly eligible as a result of this downturn.

According to the National Consumer Law Center, the average annual income of program beneficiaries is below $6,000. Most of these families have annual residential energy bills over $900. Consequently, they spend between 13 and 23 percent of their gross income on home energy. An earlier report prepared on behalf of the National Association of State Community Services Programs indicated that a LIHEAP benefit can boost a recipient's discretionary income by 60 percent.

We appreciate your strong commitment to LIHEAP and your leadership in reversing a downward spiral in funding for the program. We harbor no illusions about the difficult budget choices you and your fellow subcommittee members face. We recognize that the subcommittee will not be able to fund LIHEAP at its fiscal year 1992 authorization level of $2.23 billion. You may have difficulty providing the "current services" level we request but it is essential just to maintain benefits to those currently receiving them.

LIHEAP is the only means of protecting the poor and elderly people on fixed incomes from the sort of home energy price explosions we have witnessed over the past two years. Please do all that you can to maintain this vital safety net.

Sincerely,

(Signed by Senator WELLSTONE and 51 other Senators.)

Mr. WELLSTONE. After long negotiations, the committee agreed to provide $1.5 billion, cutting the additional funds provided last year to pay for the large but temporary increase in oil prices due to the Persian Gulf war.

For weeks, low-income Minnesotans, and service providers, have waited for Congress to agree on funding levels for this program. Last week, I visited with program participants deeply concerned about Federal funding for this program, some of Minnesota's most vulnerable citizens, who are unable to pay to heat their homes because they are unemployed, disabled, or simply overwhelmed by economic forces beyond their control.

When I returned from that visit, I discussed this issue personally with Chairman HARKIN and underscored my support in a letter urging reasonable final funding levels for this program. I would also like at this point to include a copy of that letter for the RECORD.

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

U.S. SENATE,
Washington, DC, October 29, 1991.

Hon. TOM HARKIN,
Chairman, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: In June, I urged your subcommittee to provide $1.67 billion in FY 1992 funds for the Low-Income Home Energy Assistance Program. After a fact-finding trip to Minnesota yesterday, I write to reiterate my strong support for this program, to urge you to insist on at least the Senate-passed funding level of $1.5 billion, and to express my deep concern that with the first snow already fallen and temperatures dropping in parts of Minnesota, definite federal funding levels for the LIHEAP program be resolved quickly.

In recent weeks, fuel shut-off notices have been sent to low-income people throughout the state unable to pay their fuel bills. I met yesterday in Minnesota with clients and assistance providers working within the state energy assistance program, some of whom told me they would be unable to heat their homes and care for their families' basic needs at the same time. I heard from single parents, heads of inner city, suburban, and rural households, disabled people—all of whom are threatened by the proposed large cuts in LIHEAP funding and continuing uncertainty about final funding levels.

Congress decided—after years of contentious debate—to deregulate energy prices only on condition that the poor and elderly on fixed incomes would be afforded some protection from energy price shocks. Yet federal funding for LIHEAP has declined by nearly thirty percent in real terms as measured by the Consumer Price Index for household fuels and other fuels since it peaked at $2.1 billion in 1985.

While I am hopeful that the heating needs of many of these people will be met in the weeks and months to come through this program, I am deeply concerned that further delay will place them in immediate jeopardy.

As you know, LIHEAP is a vitally important "safety net" program for many of our most economically vulnerable constituents. When that already seriously weakened safety net fails, the results are tragic.

I appreciate your strong and consistent support for this program, Mr. Chairman. I know that under the constraints of the current budget agreement these funding decisions will inevitably be painful. I pledge to continue to work with you to enact legislation reflecting alternative budget priorities which will ensure that the basic human needs of all our constituents—especially the most vulnerable—are met.

I again urge you to do all you can to persuade your fellow conferees to hold the Senate line on funding for this vital safety net program.

Sincerely,

PAUL D. WELLSTONE,
U.S. Senator.

Mr. WELLSTONE. The $1.5 billion in LIHEAP funding contained in this bill still falls far short of the great needs for low-income energy assistance. The same is true for many vital safety net programs in the bill, because under the constraints of last year's budget agreement we cannot exceed spending caps for such programs.

Earlier this year, when the bill was before the Senate, we attempted to provide additional funds to a number of critical programs with an amendment which would have exceeded these spending limits. That amendment was rejected, but I promise my colleagues we will be back next year with a similar effort.

I know the Senate conferees fought long and hard to ensure at least the Senate-passed funding level, one third higher than the $1 billion provided for in the House version of the bill, and I appreciate their unwavering support. I have said it before and will say it again—it is time to move beyond the artificial limits set forth in the budget agreement, cut defense spending, and reinvest in our real national security—in education, health care, child care, infrastructure, job training, and others.

Mr. President, it is sometimes easy to be generous with the suffering of others. This program serves society's most vulnerable, guaranteeing a basic—and for some lifesaving—means of heating their family homes. The first duty of a society is to serve justly its members—especially those on its margins. In this land of plenty, people have a right to the necessities: To food, shelter, clothing, light, and heat. The home heating assistance funds provided for in this bill will ensure that America's most vulnerable citizens have access to the energy assistance funds necessary to make it through what promises to be a long and bitterly cold winter.

I urge my colleagues to vote for this bill, and once it is enacted I urge the President to immediately sign it into law and release these funds to each of the States who administer this critical program.

Mr. MITCHELL. Mr. President, I would like to clarify an item with Senator HARKIN, chairman of the Labor, Health and Human Services Subcommittee, on which the conference report accompanying H.R. 2707 is silent.

Mr. HARKIN. I will be pleased to respond to whatever concern the Senator from Maine may wish to raise.

Mr. MITCHELL. I thank the chairman. The vocational and adult education section in this bill includes funding for innovative national dem-

onstration programs authorized under the Carl Perkins Act. The Perkins reauthorization requires that priority be given to establish demonstration centers for retraining dislocated workers.

Mr. HARKIN. The majority leader is correct. In particular, section 363 of Public Law 101–392, the Perkins reauthorization, directs that community education employment centers be developed and implemented as models to transform the Nation's vocational schools. Two million dollars has been provided for this purpose in the conference report, to carry out a two-site demonstration of community education employment centers, as authorized by the Perkins Act.

Mr. MITCHELL. I thank the Senator for assuring me of this. I think it is vitally important that vocational education focus on providing work-related and applied learning experiences for students and adult learners, different from the traditional college-track curricula. This is especially important in the current economy as the number of dislocated workers has increased dramatically. But it is not just something that deserves our attention now: As our Nation continues its transition to a high technology and service-oriented economy, the country's work force must learn new skills to remain competitive. Community education and employment centers will provide the education, training, and applied skills necessary to meet the needs of both today's and tomorrow's jobs.

In the Senate report, the committee directed that each of these two demonstration sites be multicounty rural areas where at least one of the area educational agencies is eligible for assistance under section 1006 of the Elementary and Secondary Education Act of 1965, and where at least one county has been designated a labor surplus area. In the same report, the committee also noted that two particular educational institutions meet both the eligibility requirements of the authorizing statute and the stated funding priorities, and would provide excellent sites for the community education and employment centers. I want to clarify that it is also the intent of the conferees to rely on these funding priorities.

Mr. HARKIN. The Senator is correct, both in advocating the increased emphasis on vocational education and in his understanding of the conferees' intent. The conferees provided sufficient funding levels to carry out the intent of the Senate with regard to this particular demonstration.

Mr. MITCHELL. I thank the chairman for his dedication to promoting vocational education, as well as his willingness to clarify this point for me.

ALZHEIMER'S DISEASE RESEARCH FUNDING

Mr. HATFIELD. Mr. President, over the past 2 years the Appropriations Committee has embarked on a concerted effort to conquer Alzheimer's disease. Support for research to find a cause and cure for this tragic disorder has nearly doubled over this 2-year period. And by so doing, we have brought a measure of hope to millions of Americans.

I know that the chairman of the subcommittee, my distinguished colleague from Iowa, shares my concern that Alzheimer's disease represents one of the most serious breaches in our health defense. It robs people of their minds and their ability to function as healthy, independent persons. The disease also places an enormous strain on families and care givers—leaving them emotionally, physically, and financially bankrupt. Last but not least, Alzheimer's disease deprives society of the skill and sagacity that its victims have to offer.

When this bill was being marked up in subcommittee, the Senator from Iowa and myself took great pains to target funds for Alzheimer's disease research. Our ultimate goal is to channel as much as $500 million for a disease that matches the public health impact of cancer, heart disease, and AIDS. But for this year, we were guided in part by the recommendations of the National Advisory Panel on Alzheimer's disease, which had concluded that it would require $350 million to take advantage of the research avenues scientists have opened only recently.

Mr. HARKIN. On that point, Mr. President, my distinguished colleague from Oregon is absolutely correct. In fact, on page 124 of our committee report we specifically stated our hopes to double the amount invested in Alzheimer's disease research. That would bring the total to $500 million. But because of budget constraints, we were forced to settle for a downpayment toward that goal.

Mr. HATFIELD. So that I am clear on this, the President's budget for the National Institute on Aging totaled $348.6 million, including $162.7 million for Alzheimer's research. The House increased the Institute budget by about 4 percent, which would bring the Alzheimer's amount to $169.2 million. Is that the chairman's understanding, as well?

Mr. HARKIN. That is correct. And as the Senator knows, when our subcommittee marked up, we specifically earmarked an increase of $18.7 million over the President's budget for Alzheimer's. That, together with some downward adjustments for indirect costs, brought the NIA total to $178.4 million.

When this bill was taken up on the Senate floor, the Senator from Oregon and myself sponsored an amendment specifically targeting an additional $34 million for Alzheimer's research. By my calculations, that brought the NIA total to $213 million for Alzheimer's research, of which $22 million was proposed for delayed obligation.

Mr. HATFIELD. As I recall, the conferees agreed to pull the delayed portion out to discuss separately, leaving the House with $169.2 million for Alzheimer's research and the Senate with $190.4 million. When the conferees agreed to take three-fourths of the difference between the two, that left Alzheimer's research with $185.6 million plus the $15 million agreed to on a delayed obligation basis. Is that correct?

Mr. HARKIN. The Senator is correct. The National Institute on Aging budget for Alzheimer's disease research will be about $200.6 million. That, together with research supported through other institutes and the NIMH will bring the total to about $280 million.

COMMUNITY SERVICES BLOCK GRANT

Mr. BUMPERS. I understand that the conference report on H.R. 2707, the appropriations bill for the Department of Labor, Health and Human Services, Education, and related agencies for fiscal year 1992, has made a change regarding the discretionary fund of the community services block grant. It is my understanding that the conference agreement earmarks the overall funds available for the discretionary fund in bill language while allocating among categories in the report. I will note for the record that the funds provided include $22,000,000 for community economic development; $4,099,000 for rural housing; $3,025,000 for farmworker assistance; $12,000,000 for national youth sports; $4,050,000 for demonstration partnerships; and $244,000 for technical assistance.

This is a change from past years. Since fiscal year 1983, these funds have been earmarked, by category, in bill language. Congress did this because it wanted to be sure that appropriated funds for community economic development or rural housing were spent in a manner consistent with congressional intent.

Does this new procedure regarding the discretionary fund indicate any change in congressional intent regarding the allocation of discretionary fund appropriations?

Mr. HARKIN. This action does not change policy regarding the programs or funding of the discretionary fund. The conference committee took this action to streamline the bill. Allocating funds in the committee report is the standard procedure. The Department of Health and Human Services is expected to comply with the provisions of the conference report regarding the discretionary fund.

JOB CORPS FUNDING

Mr. SIMON. Mr. President, I rise today to commend my friend from Iowa, Mr. HARKIN, for his leadership on this appropriations bill. We all appreciate how difficult it is with the current budget constraints to make fair decisions on the thousands of programs that must be funded.

I would like to thank him particularly for his leadership on the issue or

our Nation's National Job Corps Program. This bill will strengthen Job Corps Program, which has been effective for almost 30 years now in training and educating our Nation's poverty youth.

Job corps has proven to be one of the best investments of taxpayer's money. The program reportedly returns $1.46 to America for each dollar invested in the program. It does this by reducing the cost of crime and incarceration that go unprevented if enrollees are not in the program; and by increasing revenue are received by the Government when Job Corps participants become wage earners. The success rate of graduates from the Job Corps Program is high, with 84 percent finding employment or going on to receive college degrees.

The subcommittee has also provided money for additional centers in areas with tremendous numbers of poverty youth. In my State, the city of Chicago has untold numbers of youth that could benefit from Job Corps services.

The Job Corps Program is a meaningful way to address the serious problems associated with poverty in America. It is a wise investment in the youth of today and in the economic future of this country.

Mr HARKIN. I appreciate the comments of my colleague from Illinois and recognize that the city of Chicago, along with other areas, such as Butler, PA, Prince Georges County, MD, Compton, CA; and Seattle, WA, have demonstrated broad based support for obtaining a Job Corps center and participating in the Job Corps Program. The conference report specifies that not less than $4,300,000 be utilized for planning, priority site acquisition, and facility design for further expansion, with new centers to be selected through a competitive process.

VERY SPECIAL ARTS MISSISSIPPI DEMONSTRATION PROJECT

Mr. COCHRAN. Mr. President, I would inquire of the distinguished chairman of the subcommittee if he could engage in a colloquy regarding a very important program.

Mr. HARKIN. I would be happy to yield to the Senator from Mississippi in order to discuss the program.

Mr. COCHRAN. During the Senate's consideration of the Labor, Health, and Human Services, Education fiscal year 1992 appropriations bill, the chairman of the subcommittee and I engaged in a colloquy to express support for Department of Labor funds to be made available to finance an employment demonstration project developed by Very Special Arts Mississippi in conjunction with other States in the Appalachian region. This employment and training project would enable individuals with disabilities in the Appalachian region to form an arts collective supporting the production, marketing, and distribution of their handmade artifacts.

Mr. President, we are well aware of the overwhelming unemployment rate among people with disabilities. Only 32 percent of adults with disabilities hold jobs or actively seek employment. One in ten adults with disabilities reported no income at all in the latest reporting year (1987). Of the working adults with disabilities, the mean earnings were 35 percent less than the mean for nondisabled workers in the same age range. My home State of Mississippi is last in per capita income of the 50 States and has the second highest percentage of persons with disabilities.

When considering policy affecting disabled individuals, one of Congress' primary objectives should be the creation of new employment opportunities for people with disabilities. The Very Special Arts Program addresses this need by offering a unique approach to job creation and economic development for people with disabilities.

This program will encourage a spectrum of employment opportunities open to people with a range of physical and mental disabilities. By creating a support system and professional environment, the program will cultivate talents, reward creativity, and build self-esteem through self-expression for people with disabilities. Coordination with regional and state agencies will provide education and life services that many persons with disabilities need in order to flourish.

The Appalachian region stands to gain a great economic benefit from this program, not only by the employment of disabled persons, but also in the area of potential recreation and tourism development by capitalizing on arts and crafts as an integral part of Appalachian lifestyle. The Very Special Arts Program will afford people with disabilities the opportunity to move into the forefront of community development initiatives and allow them to be productive, contributing members of society.

A number of regional and national organizations support and recognize the very special arts project as an employment opportunity which will reward and enrich the lives of people with disabilities. In light of this, Mr. President, I express my strong support for the Department of Labor to find in the pilots and demonstration account the necessary funds—$400,000 in fiscal year 1992—to fully develop the Very Special Arts Employment Program for the very special people of the Appalachian region.

Mr. HARKIN. I thank my colleague from Mississippi for his continued efforts to address the unemployment rate of disabled individuals. The Very Special Arts Program could bring a lot of hope and prosperity to the Appalachian region, and I encourage the Department of Labor to make this project a priority when considering grant awards.

AVAILABILITY OF HEAL LOANS TO NEW BORROWERS

Mr. RUDMAN. Would the distinguished chairman of the Labor-HHS-Education Subcommittee yield for a question?

Mr. HARKIN. I would be pleased to yield.

Mr. RUDMAN. Mr. President, it is my understanding that the conference report includes an annual loan limitation of $290,000,000 for the Health Education Assistance Loans [HEAL] Program. Is that correct?

Mr. HARKIN. That is correct.

Mr. RUDMAN. Was it the chairman's understanding in providing this loan limitation of $290,000,000 that funding would be available for both new and continuation loans during fiscal year 1992.

Mr. HARKIN. That was my understanding. However, as my colleague is aware, the Department of Health and Human Services has recently taken the position that HEAL loans will not be available to new borrowers until legislation reauthorizing public health service title VII programs is in place.

Mr. RUDMAN. In fact, on October 4, 1991, the Department notified lenders throughout the country that loans could only be made to prior HEAL borrowers. Was the chairman notified of this action by the Department, or was any attempt made to alert the conferees on this bill that there may be a problem with HEAL loans?

Mr. HARKIN. I was not notified of any problem with the program. In fact, the conference agreement on H.R. 2707 was reached with the understanding that the program would be available to make both new and continuation loans.

Mr. RUDMAN. Mr. President, I believe this presents a very difficult problem for an estimated 10,000 medical, dental, and other health professions students throughout the country who may already be attending classes and be dependent upon these loans to pay the cost of that education. I learned of the problem from the parent of a New Hampshire student who is attending Tufts Dental School in Boston. In fact, it is my understanding that many schools may be carrying these students with the understanding that funding will be forthcoming in the near future. Does the chairman know the status of the authorizing legislation and when an authorization might be in place?

Mr. HARKIN. The distinguished chairman of the Labor and Human Resources Committee is here. He might be able to respond to the status of the reauthorization legislation.

Mr. KENNEDY. I would be pleased to respond to that question. The legislation reauthorizing the HEAL Program will be introduced shortly and I am hopeful that it will receive expeditious consideration by the Labor and Human Resources Committee and the full Sen-

ate. Having said that, I share my colleagues' concern that students who have depended on the availability of these loans may find themselves without sufficient resources to finance their educational expenses should consideration of the authorizing legislation be delayed. However, I would suggest that section 728 of the Public Health Service Act does not prohibit the Department from making loans to new HEAL borrowers as long as there is a ceiling on loan guarantee authority in place. Since H.R. 2707 places a ceiling of $290,000,000 on loan guarantees for fiscal year 1992, I do not believe the Department is precluded from making loan guarantees for new borrowers.

Mr. RUDMAN. I thank my colleagues for their assistance. I trust this discussion we have just had will serve to clarify the confusion surrounding this issue and that the Department of Health and Human Services will notify lenders of the availability of loan guarantees to new students, consistent with the intent of the conference agreement on H.R. 2707.

Mr. LAUTENBERG. Mr. President, I rise in support of the Labor, Health and Human Services, and Education appropriations conference report for fiscal year 1992. I commend the distinguished chairman of the subcommittee for his work on this bill.

I wanted to note the inclusion of funding for a number of important programs which I requested that are designed to address critical domestic needs. One of our biggest health challenges has been the AIDS epidemic. The AIDS epidemic now affects young and old, men and women, black and white, urban and rural, and has already taken over 150,000 lives. This epidemic, which is now growing at approximately 35 percent per year, has been crippling our public health system for the past few years.

In response to this epidemic and the tragic death of Ryan White, the Congress passed the Ryan White CARE Act in 1990. I was a cosponsor of this legislation that was designed to provide emergency funding for AIDS care, prevention, and education. The bulk of the funding was designed to go to 16 target areas, including Hudson County, NJ, and Newark, NJ, metropolitan area, and the 50 States. This year two new cities became eligible for the target cities program.

Recognizing the great need for Ryan White CARE Act funding, I urged Senator HARKIN to include $440 million for this act in fiscal year 1992. This would have doubled the funding from fiscal year 1991. Given the nature of this epidemic, I believed that this response was appropriate. While this conferees included $280 million for the Ryan White CARE Act, which is less than my request, it is an increase of $59 million over last year's level. I commend the chairman of this subcommittee for including this increase even though the Labor and Health and Human Services allocation was below last year's level plus inflation. I hope that we can work together in the future to provide the highest possible funding for this program, especially next year because approximately nine new cities may be eligible for title I assistance.

The $280 million total for Ryan White programs will provide an approximately 40 percent funding for AIDS care and education programs in Newark, NJ, and Hudson County, NJ, as well as other hard hit areas across the United States.

Title II of the Ryan White CARE Act funds includes a set-aside of $5 million for indigent dental AIDS. This is an important part of the overall effort to prevent and treat AIDS. Dental clinics in hospitals and medical schools throughout the country play an important role in the early identification of AIDS victims. AIDS often manifests itself first in the oral cavity and the dentist is often the first health care professional to identify and work with these patients. The University of Medicine and Dentistry of New Jersey [UMDNJ] maintains such training programs for professionals who treat indigent patients. I think that UMDNJ is well qualified to receive a portion of this funding and the health care professions there hope to participate in this program in fiscal year 1992.

This conference agreement also includes $19.8 million for pediatric health care demonstrations. This money supports projects to develop community-based, family-centered coordinated services for women, infants, and children who are infected with or at risk of contracting HIV. Newark, NJ, is currently home to one of these demonstration centers. The Newark center will continue to receive these much-needed funds to fight this deadly disease which is tragically striking our Nation's children.

This conferees also provide funding for the National Institute of Allergy and Infectious Diseases [NIAID]. The Senate committee report recognized that minorities have been underrepresented in NIAID's AIDS clinical trials research groups. Recognizing that New Jersey has one of the highest per capita rates of HIV infection and pediatric AIDS, the Senate committee report encouraged NIAID to create more clinical trials at the University of Medicine and Dentistry of New Jersey [UMDNJ] in Newark for research purposes that will benefit women and minorities in New Jersey and nationwide. The conference report upholds this report language.

This conference agreement also provides full funding of $410.2 million for domestic refugee and entrant assistance programs. The House originally cut $117 million from the Refugee Cash and Medical Assistance Program [RCMA]. I was pleased that the Senate restored these funds. I requested that funding. Unfortunately, the obligation of the funds was delayed until the end of fiscal year 1992. The conferees included the $410.2 million but also delayed its obligation. I hope the Senator will work with me and the Department of Health and Human Services to try to find a solution to the problem of delayed funding for this program. The Domestic Refugee and Entrant Assistance Program is critical to successful resettlement of refugees fleeing desperate situations in their home countries and should have adequate resources.

This conference agreement also contains $23 million for lead poisoning prevention programs which is $15 million more than last year's funding level. These funds will be available to State and local health departments who are confronted with severe lead contamination and toxicity problems. These funds are designed to establish education programs to help reduce lead poisoning, especially among children.

This conferees also agreed to include $5.25 million for computer-based instruction programs funded through the Secretary's fund for education innovation. I secured authorization for this program in 1988 and it has received appropriations since fiscal year 1989. The Computer Education Program provides funds for special projects that expand and strengthen computer education resources in elementary and secondary schools. It is designed to increase opportunities for our young people to receive hands on experience with computers and technology. School districts in New Jersey have received these funds in the past.

This conference agreement also includes a provision that overturns the administration's gag rule on health professionals giving women who visit family planning clinics advice and information about reproductive choices, including abortion. Several other Senators and I urged Chairman HARKIN to include this language. I am now aware of an 11th-hour memorandum that the President has sent to the Secretary of Health and Human Services modifying the gag rule. I urge my colleagues to dismiss this cynical compromise and support the provision contained in this bill that overturns the gag rule and protects the privilege of the doctor-patient relationship.

I am also pleased that the conference committee restored much of the funding for the Low-Income Home Energy Assistance Program [LIHEAP]. The new total of $1.5 billion for LIHEAP in the Senate passed bill will provide essential assistance to low-income families who must struggle to pay heating bills each winter. Without adequate funding, many current LIHEAP recipients are so poor that they must choose

between heating their homes and buying food.

Once again, I commend the distinguished chairman of the Labor-HHS Appropriations Subcommittee for accommodating my requests in the conference committee.

SUPPORT OVERTURNING THE GAG RULE

Mr. WIRTH. Mr. President, I rise today to express my strong support for the provision in the Labor, Health and Human Services, and Education appropriations bills which overturns the so-called gag rule. This bill will enable the Federal Government to assist in providing women with all the information they need to make responsible decisions about their reproductive health.

Mr. President, I am outraged by the decision made by the Supreme Court in Rust versus Sullivan because it in effect institutionalizes medical malpractice. I think that 7½ year-old Sally from Fort Collins hit the nail on the head when she wrote to me about how upset she and her mother were about the gag-me rule. This is an accurate description of what this regulation does.

The regulation says that we have a government that prohibits medical professionals from discussing with their patients not only their rights, but what legal, medically sound procedures may be in their best interest.

The Rust decision upholds the administration's plan to promote its own policy at the expense of informed decisionmaking. This country would not stand for a Government that prohibits a physician from telling a women all her legal options for treating breast cancer. This country cannot stand for a government that prohibits a physician from telling a women all her legal options about her pregnancy.

Mr. President, I have to say on the face of it, I am perplexed that this administration would continue to pursue this misguided policy. One one hand, most of the policies advocated by the President are geared toward eliminating Government oversight and regulation. But on the other hand—the hand that we must deal with today—he is advocating that the Government intrude into the lives of its citizens and make decisions about reproductive health that a woman should make for herself. To my way of thinking, this is as wrong a policy as there can be.

In its decision, the Supreme Court has upheld the administration's notion that proper and adequate health care is something available only to the moneyed in this country. If a women works hard yet still requires Federal assistance to meet her health care needs, she simply won't have access to the same level of care that others do.

She is not allowed the opportunity to know what her options are, what the ramifications of her decision may be, or how her mental or physical well-being may be affected. Mr. President, it is an outrage that our Government would promote two types of medical care—limited and censored for the poor and proper and adequate for all others. Evidently, the Supreme Court believes that only woman who can afford private health care are entitled to make educated decisions. Is this equal justice?

The political arguments must be set aside and we must consider the relationship between a women and her health care provider, free speech, and the health of our society. I urge my colleagues to support this conference agreement and lay aside the threats from the White House. We have before us an opportunity—again—to write a wrong created by the administration. Let us act on it.

Mr. PACKWOOD. Mr. President, the Labor-HHS conference report contains language which would prohibit HHS from using any of its funds to enforce the gag rule during the next fiscal year. The gag rule is the HHS regulation promulgated in 1988 which prohibits health care professionals in federally funded family planning clinics from discussing abortion with patients or making abortion referrals.

Earlier in this Congress, the Senate passed Senator CHAFEE's bill, the Pregnancy Counseling Act, which would permanently overturn the gag rule. Since the Pregnancy Counseling Act passed, Senator CHAFEE and others have been negotiating with the White House to get the gag rule lifted. Despite diligent efforts, no agreement has been reached.

Yesterday the White House circulated a memo in Congress which seems to say that the gag rule is no longer a problem and that it does not really infringe on the rights of women or the health care professionals who treat them. But the memo does really not say anything new. It would leave the gag rule in place, and in no way represents any kind of compromise.

That's why in this vote on the Labor-HHS conference report, it's important to keep our eye on the real issue—the overturn of the gag rule.

I urge my colleagues' support of this report, which contains funds for Head Start, childhood immunizations, and infant mortality prevention, and which would overturn the HHS regulations that impinge upon the rights of women and their physicians.

Mr. LIEBERMAN. Mr. President, as we vote on this conference report I think it is important to highlight the decrease in funding for the Low-Income Home Energy Assistance Program. For those Americans who live where the winters are cold, this may be the most important program in this entire bill. I am pleased that we were able to settle on the slightly higher dollar amounts which were in the Senate bill, but I can tell my colleagues right now that if the rest of the winter is anything like this past week has been and if the economy does not improve rapidly, this bill does not contain enough money to keep the elderly, the poor, and the disabled warm this winter.

The money we have appropriated this year is less than last year and for my State of Connecticut it means a total of only $33 million as opposed to $35.5 million last year. Not only is this a decrease in funding, but not all the money will be available this winter because some of it will be held back until September 30, 1992. We are attempting to meet the budget agreement by penalizing people who are already suffering from the recession. In a cold winter LIHEAP is literally a lifetime for thousands of Connecticut families. It provides the funds that enable them to meet the high costs of heating their homes and ensures that they are not left to freeze nor forced to forgo food or other necessities it order to pay their heating bills.

Recently the Hartford Courant published an article about a family who will suffer because Congress has not fully funded the LIHEAP program. The husband has just been laid off, the wife has a part-time job, they have a 2-year-old son and a 6-month-old daughter, and an empty oil tank. For the first time they are forced to seek assistance to fill the oil tank and ensure that their children don't freeze. Last year they would have been eligible to receive $700 over the course of a winter with as many crisis payments as needed if the tank ran dry again. This year they will only be able to receive $200 and a one time payment of $150. What happens when the money runs out? Who will keep these children warm?

In the first 8 months of this year Connecticut had more people run out of unemployment benefits than in all of 1990. Many of these people will need assistance from the Government to heat their homes this winter, but we may not be able to assist them. How will we try to help them? We will rely in part on good samaritans like George Deconinck, president of F&S Oil Co. in Waterbury, who has already donated $3,000 worth of fuel oil to the Connecticut Energy Assistance Program and is urging others in the industry to do the same. I hope other businesses will follow George's lead, but I also hope that the Federal Government will reexamine its commitment to those who are struggling to make it through this recession and strengthen its commitment to a very worthwhile program.

Mr. President, we are a great nation and we must provide the elderly, the disabled and those who are suffering economic hardship with the funding necessary to keep them from freezing in the winter.

TARGETED JOBS TAX CREDITS

Mr. HARKIN. Mr. President, I would like to make note of Congress' intent with respect to the use of funds appro-

priated in H.R. 2707 to the Department of Labor for use with respect to the targeted jobs tax credit [TJTC].

The TJTC is a program jointly administered by the Department of Labor and the Internal Revenue Service. DOL's role is to coordinate the processing by the State jobs services of TJTC claims filed by employers, while IRS' role relates to ensuring that the technical TJTC requirements in the Tax Code are followed. This legislation appropriates approximately $20 million to DOL for distribution to the State jobs services for processing TJTC claims.

Unfortunately, at this time, the enactment of an extension of TJTC in the Tax Code beyond its December 31, 1991, expiration date in this session of Congress is in doubt. This Senator, as a firm believer in TJTC, deeply regrets that we may be unable to extend the credit in a timely fashion this year.

It is expected that employers will continue to fill numerous TJTC claims with the State jobs services through December 31, 1991, the date when the current credit expires. These claims, even absent an extension of TJTC in this session are valid and should be processed. I am concerned, however, that absent an extension, the State jobs services may terminate TJTC operations after December 31, and might be tempted to use their TJTC appropriations for other purposes, causing an unfair costly and inefficient pileup of unprocessed claims to remain until the TJTC is extended next year.

The TJTC funds which are appropriated in this bill are appropriated specifically for the purpose of processing TJTC claims, and that because funds are being appropriated for that purpose, the State jobs service processing should remain in operation as long as it is necessary to process TJTC claims filed through December 31, 1991.

Mr. BOND. Mr. President, I would like to take a few minutes to express my support for the provisions in this bill crucial to our fight against infant mortality. Earlier this year I introduced the Families in Need Act of 1991, a multifaceted approach to the problems leading to infant deaths, and I have spent much of the summer and fall fighting for appropriations for these programs.

The infant mortality rate in the United States is significantly higher than almost every other developed nation in the world. This grim fact is a disgrace for our country and an unthinkable tragedy for those infants and families. We know that adequate housing, prenatal care, and nutrition during the 9 months of pregnancy are crucial in ensuring a healthy birth. I have spent the last year identifying areas in the Federal budget where a little extra money would go a long way toward providing adequate housing, prenatal care, and nutrition and promoting health lifestyles for pregnant women.

I have argued that community health centers, the Maternal and Child Health block grant programs, and the National Health Service Corps in particular should receive extra funds, as these programs often provide the only source of care for indigent women. In the next few minutes I will outline the appropriations outcome for programs I have pushed for through families in need.

Birth defects are the leading cause of infant mortality. In addition, those infants who survive a birth defect often suffer through their entire lives. Sadly, the vast majority of birth defects are preventable. We have been attacking this problem through several avenues.

The role of the Centers for Disease Control [CDC] as the country's prevention agency is well known and recognized. It is only logical that CDC serve as the country's leader in the effort to coordinate birth defects surveillance, prevention and epidemiology activities. To that end, I have worked to increase CDC's role in birth defects monitoring. We must learn more about what substances cause birth defects so we can protect pregnant mothers from exposure to these hidden dangers to their unborn children. I am very pleased that this bill contains my specific CDC funding for new and enhanced efforts at CDC to reduce birth defects.

One of the key elements in the fight against infant mortality is access to prenatal care. The community health centers are on the vital front lines of the infant mortality battle and I have been working to increase funding for these high-quality cost-effective clinics. In Missouri, as in many other States, there is no source other than community health centers for prenatal care for indigent or poor pregnant women. We must be sure they have the funds they need to serve the women who desperately need care. Community health centers will get an overall $59 million increase in fiscal year 1992 from this bill—the largest increase they have seen in a decade.

Prenatal and pediatric care are in particularly short supply in rural and urban inner cities. In addition to the important role that community health centers play, the National Health Service Corps is critical in the effort to increase access to care in these areas. This bill will provide a $10 million increase for the Corps in fiscal year 1992 up from $91 million in fiscal year 1991.

The ability of individuals, particularly pregnant mothers and infants, who live in public housing to access properly health services is difficult, yet much more cost-effective if sought early than if left to the hospital emergency room as is often the case. In my own State of Missouri, I have been personally active in securing safe, comprehensive transitional housing, and support services programs to help pregnant women and infants. A relatively new HUD Health Services program is designed to provide access to essential health care services including primary care and health screenings for residents of public housing. I asked for and got a large increase for this program—nearly twice as much as last year's budget of $3.4 million.

Immunizing our children is the most cost-effective form of disease prevention known. I strongly supported increased funding for childhood immunizations and I am very happy that this bill contains a welcome and much-needed $80 million increase. This is certainly money well spent to prevent fatal or debilitating diseases.

Another important achievement for families in crisis in this bill is the increase in funding for the Maternal and Child Health Block Program. This program will get 10 percent increase over fiscal year 1991 funding. In Missouri, funds are used for prenatal care, well-child care, school health screenings, and dental health programs.

Finally, this bill doubles the budget for the Family Violence Prevention and Services Act, which provides shelter and support services for battered women and children. In Missouri, or in many other States, very little is offered in the way of shelter for women and children needing to escape their batterers, particularly in rural areas. While the Missouri Coalition Against Domestic Violence reports that over 32,000 crisis calls were received last year for women and children in abusive situations, there were only 359 beds in the entire State. While I favored a much larger increase, this increase in the budget will leverage state, local and private dollars and will give hope to many battered women and children.

I would be the last to argue that these new moneys are adequate to meet the needs of young families in crisis. But I am pleased that Congress has today indicated a willingness to fund the preventive activities necessary to ensure that children are born and stay healthy, activities that are infinitely less costly in the long run than remedying the effects of low birthweight.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that upon disposition of H.R. 2707, the Senate proceed to the consideration of calendar No. 243, S. 838, the Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991; that the only amendment in order other than the committee reported substitute be a Dodd substitute amendment; that there be 10 minutes for debate on the bill, including the substitute amendments, with the time equally divided and controlled between Senator DODD and Senator COATS; that when the time is used or yielded back, the Senate proceed to adopt the Dodd substitute, the committee reported substitute, as amended, if amended, and then proceed to third reading and

final passage of the bill; further, that all of the preceding occur without intervening action or debate.

Mr. SPECTER addressed the Chair.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. SPECTER. Mr. President, that request has been cleared on this side of the aisle.

The ACTING PRESIDENT pro tempore. If there is no objection, it is so ordered.

The time for debate has expired. The question is on agreeing to the conference report on H.R. 2707. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mr. CRANSTON] and the Senator from Nebraska [Mr. KERREY] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. HATCH] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Utah [Mr. HATCH] would vote "nay."

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 24, as follows:

[Rollcall Vote No. 246 Leg.]

YEAS—73

Adams	Fowler	Murkowski
Akaka	Glenn	Nunn
Baucus	Gore	Packwood
Bentsen	Gorton	Pell
Biden	Graham	Pryor
Bingaman	Grassley	Reid
Bond	Harkin	Riegle
Boren	Hatfield	Robb
Bradley	Heflin	Rockefeller
Brown	Hollings	Rudman
Bryan	Inouye	Sanford
Bumpers	Jeffords	Sarbanes
Burdick	Kassebaum	Sasser
Byrd	Kennedy	Seymour
Chafee	Kerry	Shelby
Cochran	Kohl	Simon
Cohen	Lautenberg	Simpson
Conrad	Leahy	Specter
D'Amato	Levin	Stevens
Danforth	Lieberman	Warner
Daschle	McConnell	Wellstone
DeConcini	Metzenbaum	Wirth
Dixon	Mikulski	Wofford
Dodd	Mitchell	
Exon	Moynihan	

NAYS—24

Breaux	Garn	McCain
Burns	Gramm	Nickles
Coats	Helms	Pressler
Craig	Johnston	Roth
Dole	Kasten	Smith
Domenici	Lott	Symms
Durenberger	Lugar	Thurmond
Ford	Mack	Wallop

NOT VOTING—3

Cranston	Hatch	Kerrey

So the conference report was agreed to.

Mr. HARKIN. Mr. President, 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. HARKIN. Mr. President, I ask unanimous consent that the Senate concur en bloc with the amendments of the House to the amendments of the Senate in disagreement.

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

The amendments are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$3,861,338,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$187,700,000 is appropriated for part B of title II of the Job Training Partnership Act, as amended, in addition to amounts otherwise provided herein for part B of title II, to be available for obligation for the period October 1, 1992 through June 30, 1993; and, in addition, $73,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

On page 16 of the House engrossed bill, insert after line 19 the following:

SEC. 100. (a) Notwithstanding any other provision of law, on or before December 1, 1991, the Secretary of Labor, acting under the Occupational Safety and Health Act of 1970, shall promulgate a final occupational health standard concerning occupational exposure to bloodborne pathogens. The final standard shall be based on the proposed standard as published in the Federal Register on May 30, 1989 (54 FR 23042), concerning occupational exposures to the hepatitis B virus, the human immunodeficiency virus and other bloodborne pathogens.

(b) In the event that the final standard referred to in subsection (a) is not promulgated by the date required under such subsection, the proposed standard on occupational exposure to bloodborne pathogens as published in the Federal Register on May 30, 1989 (54 FR 23042) shall become effective as if such proposed standard had been promulgated as a final standard by the Secretary of Labor, and remain in effect until the date on which such Secretary promulgates the final standard referred to in subsection (a).

(c) Nothing in this Act shall be construed to require the Secretary of Labor (acting through the Occupational Safety and Health Administration) to revise the employment accident reporting regulates published at 29 C.F.R. 1904.8.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 13 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$3,148,655,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert "X, XII,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$125,000,000, of which $25,000,000 shall be for the Healthy Start program,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amended to read as follows: In lieu of the sum named in said amendment, insert "$290,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amended to read as follows: ": *Provided*, That of the funds made available under this heading, $134,000,000 shall not become available for obligation until September 30, 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$1,989,278,000: *Provided*, That of the funds made available under this heading, $223,446,000 shall not become available for obligation until September 30, 1992: *Provided further*, That the Director of the National Institutes of Health, within thirty days of enactment of this Act, may transfer such portion of $160,000,000 which becomes available on September 30, 1992, as she deems appropriate to other Institutes for research directly related to the prevention, treatment or cure of cancer".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$524,452,000: *Provided*, That of the funds made available under this heading, $27,368,000 shall not become available for obligation until September 30, 1992: *Provided further*, That funds made available under this heading shall not be used to conduct the SHARP survey of adult sexual behavior and the American Teenage Survey of adolescent sexual behavior".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$387,014,000: *Provided*, That of the funds made available under this heading, $31,308,000 shall not become available for obligation until September 30, 1992: *Provided further*, That the Director of the National Institutes of Health, within thirty days of enactment of this Act, may transfer such portion of $15,000,000 which becomes available on September 30, 1992 as she deems appropriate to other Institutes for research directly related to Alzheimer's disease".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further*, That $7,500,000 of this amount shall be available for extramural facilities construction grants if awarded competitively".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 to the aforesaid bill, and concur therein with an amendment as fol-

lows: In lieu of the term "high-priority" named in said amendment, insert "emergency".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 68 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$3,081,119,000: *Provided*, That of the funds made available under this heading, $164,100,000 shall not become available until September 30, 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 73 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$101,870,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 79 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further*, That the use of the term "unanticipated costs" in the foregoing proviso refer only to costs associated with unanticipated workloads: *Provided further*, That the Secretary shall make a recommendation upon enactment of this Act and thereafter prior to the first day of each following quarter of the fiscal year, about the extent to which contingency funds may be necessary to be expended".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 87 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$1,500,000,000, of which $80,000,000 is hereby designated by Congress to be an emergency requirement pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 90 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$410,630,000: *Provided*, That of the funds made available under this heading for State cash and medical assistance, $116,616,000 shall not become available for obligation until September 30, 1992: *Provided further*, That when sufficient funds have been made available to reimburse all allowable fiscal year 1991 claims for refugee cash assistance, refugee medical assistance, unaccompanied minors, and State and local administrative costs, fiscal year 1991 funds appropriated for cash and medical assistance may be used to supplement insufficient fiscal year 1990 grants to States for the programs of refugee cash assistance and refugee medical assistance".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 93 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided*, That $29,124,000 made available under this heading shall not become available for obligation until September 30, 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 94 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "no funds are provided for fiscal year 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 95 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$92,500,000, together with such sums as may be collected, which shall be credited to this account as offsetting collections, from fees authorized under section 453 of the Social Security Act".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 96 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$3,537,562,000, of which up to $6,225,000 shall remain available until expended for information resources management: *Provided*, That of the funds made available under this heading for carrying out the Older Americans Act of 1965, $25,000,000 shall not become available for obligation until September 30, 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 99 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further*, That of the amounts provided under this heading $2,000,000 shall be for the White House Conference on Aging, which shall only become available for obligation upon enactment into law of authorizing legislation and shall remain available until expended".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 112 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$152,000,000 shall become available on September 30, 1992 and shall remain available through September 30, 1993 and $6,524,351,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 122 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$771,708,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 124 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ", $1,952,000, to remain available until expended, shall be for payments for decreases in Federal activities under section 3(e), $2,000,000 for section 10, which shall become available on September 30, 1992 and remain available until expended,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 126 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further*, That none of the previous provisos related to revisions in the use of prior year data in determining payment amounts provided for under this account or related to preliminary payments shall be effective for fiscal year 1992 and preliminary payments shall be authorized on the same basis as provided for prior to the enactment of P.L. 102-103".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 130 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$1,236,963,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 132 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert "$3,800,000 shall be for civic education programs under section 4609, $30,304,000 shall be for emergency grants under section 5136,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 133 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert "sections 329 and 330 of the Public Health Service Act (Migrant and Community Health Centers), and section 670T of the Comprehensive Child Development Act,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 135 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert: ", not less than $55,000,000 of these funds shall be transferred to the Community and Migrant Health Centers programs, not less than $20,000,000 shall be transferred to the Comprehensive Child Development Centers and $100,000,000 shall be for new America 2000 educational excellence activities, if enacted into law: *Provided further*, That the December 31, 1991, deadline for enacting new authorizations for the America 2000 initiatives may be delayed by the Secretary until April 1, 1992, if he determines that sufficient progress is being made towards final approval of such legislation except that this delay shall not apply to programs".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 140 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$2,077,158,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 141 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$31,103,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 142 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ", including $6,000,000, to remain available until expended, for a grant to a hearing research center to support applied and basic research activities, which shall be awarded competitively, and $6,000,000 for grants to establish regional comprehensive head injury prevention and rehabilitation centers, which shall be awarded competitively".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 143 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the word "persons" named in said amendment, insert "entities".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 151 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amended to read as follows: "$60,000,000 shall become available on September 30, 1992 and remain available through September 30, 1993 and".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 156 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ", $5,000,000 shall be for

State Literacy Resource Centers under the National Literacy Act of 1991, and $5,000,000 shall be for prison literacy activities as authorized under section 601 of the National Literacy Act of 1991, as amended by Public Law 102-103.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 158 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$62,000,000, which shall become available on September 30, 1992 and remain available through September 30, 1993, together with $6,822,880,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 161 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert:

"(INCLUDING TRANSFER OF FUNDS)

"For the costs of guaranteed loans, including administrative costs other than Federal administrative costs, as authorized by title IV, part B, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purposes of the program: *Provided*, That such costs, including costs of modifying such loans, shall be defined in section 502 of the Congressional Budget Act of 1974, as amended. In addition, for administrative expenses to carry out the guaranteed loan program, $45,000,000. In addition to amounts appropriated in this Act for liquidation of contract authority in the "Guaranteed Student Loans (Liquidation)" account, there is also provided for payment of obligations incurred under contract authority entered into pursuant to title IV, part B, of the Higher Education Act, as amended, $1,114,748,000 which shall be transferred to the Guaranteed Student Loans (Liquidation) account."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 164 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$827,523,000 of which $24,000,000 shall become available on September 30, 1992 and".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 176 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum proposed by said amendment, insert "$258,684,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 179 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$29,900,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 181 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken by said amendment, insert ", including $6,000,000 for a high technology demonstration grant, including equipment, which shall be awarded competitively;".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 188 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert "$18,417,000 shall be for star schools, of which $1,000,000 shall become available for obligation on September 30, 1992, and of which $4,000,000 shall be to establish a demonstration of a statewide, two-way interactive fiber optic telecommunications network, carrying voice, video, and data transmissions, and housing a point of presence in every county, which shall be awarded competitively;".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 200 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$32,688,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 205 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$1,750,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 214 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$72,287,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 218 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amend to read as follows:

"SEC. 513. (a) Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses of the Department of Labor are hereby reduced by $31,991,000; salaries and expenses of the Department of Education are hereby reduced by $10,660,000; and salaries and expenses of the Department of Health and Human Services are hereby reduced by $142,349,000, including $8,000,000 of funds appropriated in this Act for travel costs of the Public Health Service: *Provided*, That the reduction for travel costs shall be from the amounts set forth therefor in the budget estimates submitted for the appropriations."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 219 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

"(b) Notwithstanding any other provision of this Act, there are hereby appropriated an additional $214,000 for 'Salaries and expenses, Occupational Safety and Health Review Commission' and an additional $786,000 for 'Salaries and expenses, Federal Mine Safety and Health Review Commission'."

"(c) Notwithstanding any other provision of this Act, appropriations in this Act for carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 shall not become available for obligation until September 30, 1992."

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Connecticut is recognized.

ORDER OF PROCEDURE

Mr. DODD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The regular order is for the Senate to proceed to the consideration of S. 838.

CHILD ABUSE, DOMESTIC VIOLENCE, ADOPTION, AND FAMILY SERVICES ACT OF 1991

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 838) to amend the Child Abuse Prevention and Treatment Act to revise and extend programs under such act, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991".

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

SEC. 101. REFERENCES.

Except as otherwise provided, whenever in this title 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 Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

(a) IN GENERAL.—The Act is amended by inserting after the table of contents the following new section:

"SEC. 2. FINDINGS.

"Congress finds that—

"(1) each year, hundreds of thousands of American children are victims of abuse and neglect with such numbers having increased dramatically over the past decade;

"(2) many of these children and their families fail to receive adequate protection or treatment;

"(3) the problem of child abuse and neglect requires a comprehensive approach that—

"(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

"(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

"(C) emphasizes the need for abuse and neglect prevention, investigation, and treatment at the neighborhood level;

"(D) ensures properly trained and supported staff with specialized knowledge, to carry out their child protection duties; and

"(E) is sensitive to ethnic and cultural diversity;

"(4) the failure to coordinate and comprehensively prevent and treat child abuse and neglect threatens the futures of tens of thousands of children and results in a cost to the Nation of billions of dollars in direct expenditures for health, social, and special educational services and ultimately in the loss of work productivity;

"(5) all elements of American society have a shared responsibility in responding to this national child and family emergency;

"(6) substantial reductions in the prevalence and incidence of child abuse and neglect and the alleviation of its consequences are matters of the highest national priority;

"(7) national policy should strengthen families to remedy the causes of child abuse and neglect, provide support for intensive services to prevent the unnecessary removal of children from families, and promote the reunification of families if removal has taken place;

"(8) the child protection system should be comprehensive, child-centered, family-focused,

and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social re-integration in an environment that fosters the health, self-respect, and dignity of the child;

"(9) because of the limited resources available in low-income communities, Federal aid for the child protection system should be distributed with due regard to the relative financial need of the communities;

"(10) the Federal government should ensure that every community in the United States has the fiscal, human, and technical resources necessary to develop and implement a successful and comprehensive child protection strategy;

"(11) the Federal government should provide leadership and assist communities in their child protection efforts by—

"(A) promoting coordinated planning among all levels of government;

"(B) generating and sharing knowledge relevant to child protection, including the development of models for service delivery;

"(C) strengthening the capacity of States to assist communities;

"(D) allocating sufficient financial resources to assist States in implementing community plans;

"(E) helping communities to carry out their child protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

"(F) providing leadership to end the abuse and neglect of the nation's children and youth.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 1, the following new item:

"Sec. 2. Findings.".

SEC. 3. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

(a) IN GENERAL.—Section 102 (42 U.S.C. 5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—There is established, within the Office of the Assistant Secretary for the Administration for Children and Families of the Department of Health and Human Services, a United States Advisory Board on Child Abuse and Neglect (hereafter referred to in this section as the 'Board'). The authority to administer the operations of the Board may not be delegated.

"(b) PROGRAM YEAR.—The program year of the Board shall commence on May 29 of each year and conclude on the first May 28th thereafter.

"(c) COMPOSITION.—

"(1) IN GENERAL.—The Board shall be composed of 16 members who shall be members of the general public, none of which may be Federal employees, and be appointed as provided for in subsection (d).

"(2) REQUIREMENTS.—To be appointed to the Board under subsection (d), an individual shall be generally knowledgeable concerning child abuse and neglect prevention, intervention (including the operation of child protective services agencies), foster care and adoption, treatment, and research. Of the members appointed under such subsection, one each shall be specifically recognized for their knowledge of and expertise in or concerning one of the following areas (which such individual shall represent on the Board)—

"(A) child protective services in a State or local government setting;

"(B) elementary and secondary education;

"(C) law;

"(D) law enforcement or corrections;

"(E) medicine;

"(F) the provision of services to adolescents;

"(G) the provision of services to disabled persons;

"(H) parents' groups;

"(I) parent self-help organizations;

"(J) psychology or child development;

"(K) public health nursing or other individuals specializing in the prevention of child abuse and neglect;

"(L) research;

"(M) social work practice involving family preservation and support services and the individual treatment of abused and neglected children and their families; and

"(N) voluntary groups.

"(d) APPOINTMENTS.—

"(1) APPOINTING AUTHORITY.—The Secretary shall appoint individuals to serve as members of the Board, except that—

"(A) individuals of the type described in subsection (c)(2) who are recognized for their knowledge of and expertise in law and law enforcement or corrections shall be appointed, or reappointed in accordance with paragraph (4), only after the Secretary has requested the advice of the Attorney General; and

"(B) individuals of the type described in subsection (c)(2) who are recognized for their knowledge of and expertise in elementary and secondary education shall be appointed, or reappointed in accordance with paragraph (4), only after the Secretary has requested the advice of the Secretary of Education.

"(2) APPOINTMENT CONSIDERATIONS.—

"(A) NOTICE.—The Secretary shall publish a notice in the Federal Register soliciting nominations for appointments under this subsection.

"(B) RACIAL AND ETHNIC REPRESENTATION.—In making appointments under this subsection, the Secretary shall give due consideration to the representation of ethnic and racial minorities and diverse geographic areas on the Board.

"(3) APPOINTMENTS NECESSITATED BY VACANCIES.—If a vacancy on the Board occurs due to the resignation of a member, or the removal of a member in accordance subsection (e)(5), prior to the expiration of the term to which such member had been appointed, a replacement for such member shall be appointed in the same manner in which the original appointment was made, and such replacement member shall serve for the balance of the term being vacated in accordance with subsection (e)(4).

"(4) REAPPOINTMENTS.—The Secretary may reappoint a member to the Board after the expiration of such member's term subject to the limitations contained in subsection (e)(3). Where such reappointments occur, at the discretion of the Secretary the nomination procedures required under paragraph (2)(A) may be waived by the Secretary.

"(e) TERMS OF OFFICE.—

"(1) LENGTH.—Except as otherwise provided in this subsection, an individual appointed to the Board shall serve for a term of 4 years.

"(2) NEW SEATS.—Notwithstanding the date on which the initial appointments are made under subsection (d), with respect to the terms of individuals appointed in accordance with subparagraphs (K), (L) and (M) of subsection (c)(2) such terms shall end on May 28, 1994.

"(3) NUMBER OF TERMS.—No member of the Board shall be eligible to serve in excess of two consecutive terms, but a member may continue to serve until such member's successor is appointed. A member having served two consecutive terms may subsequently be appointed to the Board if not less than a 1-year period has elapsed since the expiration of the preceding term.

"(4) VACANCIES.—Any member of the Board who is appointed to fill a vacancy occurring before the expiration of the term to which such member's predecessor was appointed shall be appointed for the remainder of such term.

"(5) REMOVAL.—No member of the Board may be removed by the Secretary during the member's term except for just and sufficient cause to be determined in a hearing before the Departmental Appeals Board of the Department of Health and Human Services.

"(f) COMPENSATION.—

"(1) REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in paragraph (3), members of the Board, while serving on business of the Board, shall receive compensation at a daily rate equivalent to the daily rate payable to a GS–18 employee under section 5332 of title 5, United States Code, including travel time.

"(B) DEFINITION.—For purposes of this subsection, 'business of the Board' shall mean attendance at a meeting of the Board or of one of the committees of the Board performing work for the Board with the prior approval of the Executive Director.

"(2) TRAVEL.—

"(A) IN GENERAL.—Except as provided in paragraph (3), members of the Board who reside outside of the metropolitan Washington, D.C. area, while serving on business of the Board away from their homes or regular places of business, may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(B) RESIDENTS OF WASHINGTON, D.C.—Except as provided in paragraph (3), members of the Board residing within the metropolitan Washington, D.C. area, while serving on business of the Board, may be allowed actual travel and subsistence expenses as authorized by section 5703 of title 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(3) LIMITATION.—A member of the Board may not be compensated under this subsection, nor may such member be allowed travel and subsistence expenses, if such member is receiving compensation or travel and subsistence expenses from another source while serving on business of the Board.

"(g) ADMINISTRATION.—

"(1) PROCEDURES.—The Board is authorized to establish such procedures to enable the Board to carry out it's functions and duties in an orderly manner.

"(2) ELECTION OF OFFICERS.—The Board shall elect a chairperson and vice-chairperson at the first meeting of the Board following the date of enactment of this section.

"(3) EXECUTIVE COMMITTEE.—The Board is authorized to establish an Executive Committee. If the Board establishes an Executive Committee, the Board shall determine whether its members shall be elected or appointed by the chairperson and vice-chairperson, what its duties shall be, and what powers it shall have.

"(h) MEETINGS.—The Board shall meet at least four times each program year at the call of the chairperson, unless the chairperson determines that fewer meetings are necessary. Meetings of committees, including meetings of the Executive Committee, shall not be deemed to satisfy the requirements of this subsection.

"(i) DUTIES.—

"(1) REPORTS.—Not later than 120 days after the conclusion of each program year, the Board shall prepare and submit to the Secretary, the Attorney General, the Secretary of Education, the Secretary of Housing and Urban Development, and the Secretary of Agriculture, and to the appropriate committees of Congress, a report—

"(A) assessing the progress of the Nation in protecting children; and

"(B) making recommendations for action to improve such protection.

"(2) SPECIAL REPORTS ON MALTREATMENT.—At such times as the Board determines appropriate, the Board shall issue special reports concerning child maltreatment.

"(3) ADVISOR.—

"(A) IN GENERAL.—The Board shall provide the Secretary, the Attorney General, the Secretary of Education, the Secretary of Housing and Urban Development, and the Secretary of Agriculture, and the appropriate committees of Congress, with such advice as the Board determines appropriate concerning actions necessary to improve the protection of children. Such advice may be provided in response to a request to the Board or may be initiated by the Board.

"(B) SUBJECT OF ADVICE.—Subjects that the Board may provide advice concerning shall include—

"(i) proposed and final regulations, guidelines, program announcements, and operating procedures developed to implement this Act;

"(ii) proposed and final regulations, guidelines, program announcements, and operating procedures developed to implement all other Federal laws related to child maltreatment; and

"(iii) any initiatives developed in response to Board recommendations.

"(C) IMPLEMENTATION OF CERTAIN REGULATIONS.—Notwithstanding any other provision of law, proposed and final regulations, guidelines, program announcements, and operating procedures developed to implement a child maltreatment program or effort may not be implemented until the Board has been provided with 30 calendar days to review such regulations, guidelines, program announcements and operating procedures and provide written comments concerning such to the implementing agency.

"(4) OTHER BOARD ACTIONS.—The Board shall take such actions as it determines appropriate to advocate the implementation of the recommendations contained in the reports of the Board. Such actions shall include—

"(A) publicizing the recommendations;

"(B) convening meetings and conferences to discuss the recommendations;

"(C) holding public hearings to assess progress in implementing the recommendations; and

"(D) working cooperatively with officials of governmental and nongovernmental organizations on the actual implementation of such recommendations.

"(j) RESOURCES.—

"(1) EXECUTIVE DIRECTOR.—The Board shall appoint an Executive Director.

"(2) PERSONNEL.—

"(A) ADDITIONAL PERSONNEL.—Upon the recommendation of the Executive Director, the Board shall appoint and fix the compensation of such additional personnel as are necessary to assist the Board in carrying out its duties. Appointment and compensation of such personnel shall take place in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

"(B) TEMPORARY OR INTERMITTENT SERVICES.—Subject to such rules as may be prescribed by the Board, the Executive Director may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed $400 per day.

"(C) OTHER AGENCY PERSONNEL.—Upon the request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties under subsection (i).

"(3) CONTRACTS.—With the approval of the Board, the Executive Director may enter into such contracts on behalf of the Board as the Executive Director considers necessary to carry out the duties of the Board under subsection (i).

"(4) AUTHORIZATION OF APPROPRIATIONS.—

"(A) FISCAL YEAR 1992.—There are authorized to be appropriated to carry out this section, $1,000,000 for fiscal year 1992, and such sums as may be necessary for each subsequent fiscal year.

"(B) FUNDING IN LIEU OF APPROPRIATIONS.—During each fiscal year for which no appropriation is made under subparagraph (A), the Secretary shall make available, from Department of Health and Human Services salaries and expenses accounts, not less than $1,000,000 to enable the Board to carry out it's duties.

"(C) GIFTS.—Notwithstanding any other provision of law, the Board is authorized to receive gifts and accept donations from non-Federal organizations to carry out its duties.

"(k) POWERS OF THE BOARD.—

"(1) GENERAL POWERS.—

"(A) HEARINGS, ETC.—For the purpose of carrying out its duties under subsection (i), the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. The Board may administer oaths or affirmations to witnesses appearing before it.

"(B) ACTION BY INDIVIDUALS.—Any member or employee of the Board may, if authorized by the Board, undertake any action which the Board is authorized to undertake under this section.

"(C) INFORMATION.—The Board may request directly from any Federal agency such information as it determines necessary to carry out its duties. Upon the request of the chairperson of the Board, the head of such agency shall furnish such information to the Board.

"(2) DATA COLLECTION.—Notwithstanding the provisions of the Paperwork Reduction Act, the Board is authorized to gather such data as it determines necessary to carry out the duties of the Board under subsection (i) without the approval from the Office of Management and Budget.

"(3) PUBLICATION.—The Board may publish and disseminate any annual and special reports prepared under this section and such other documents as it determines appropriate without the prior approval of any other Government official.

"(l) RELATIONSHIP TO THE INTER-AGENCY TASK FORCE ON CHILD ABUSE AND NEGLECT.—The Secretary shall appoint two members of the Inter-Agency Task Force on Child Abuse and Neglect to serve as liaisons to the Board. It shall be the duty of such members to keep the Board informed of the activities of the Task Force and to keep the Task Force informed of activities of the Board. The chairperson and Executive Director of the Board shall take all necessary steps to assure that such members are kept informed of all Board activities. Nothing in this subsection shall be construed to provide such members with a vote on any Board decision.".

(b) TRANSFER PROVISIONS.—

(1) TERMINATION OF PRIOR BOARD.—The Advisory Board on Child Abuse and Neglect established under section 102 of the Child Abuse Prevention and Treatment Act as such section existed prior to the date of enactment of this Act, shall terminate on the date on which the Board established under the amendment made by subsection (a) is operational.

(2) MEMBERS OF PRIOR BOARD.—

(A) CONTINUED SERVICE.—The 13 non-Federal members serving on the Advisory Board on Child Abuse and Neglect established under section 102 of the Child Abuse Prevention and Treatment Act as such section existed prior to the date of enactment of this Act, shall serve as members of the Board established under the amendment made by subsection (a) until the terms to which such members were previously appointed have expired.

(B) REAPPOINTMENT.—With respect to membership on the Board established under the amendment made by subsection (a), the members continuing to serve on such Board under subparagraph (A) who are determined by the Secretary of Health and Human Services to be serving with a recognized expertise in—

(i) law enforcement or corrections, parents' groups, and voluntary groups, as well as serving in one of the two positions that may be held by a member not required to be recognized for knowledge of and expertise in or concerning a specialized subject, (as required by section 102(c) of the Child Abuse Prevention and Treatment Act (as such section is amended by subsection (a)) the initial appointments (or reappointments of members who are providing continued service) shall be for terms beginning on May 29, 1992, and ending on May 28, 1996;

(ii) law, medicine, the provision of services to adolescents, the provision of services to disabled persons, and parent self-help organizations (as required by section 102(c) of the Child Abuse Prevention and Treatment Act (as such section is amended by subsection (a)) the initial appointments (or reappointments of members who are providing continued service) shall be for terms beginning on May 29, 1993, and ending on May 28, 1997, except that the term of the appointment for a member with recognized expertise in medicine shall end on May 29, 1998; and

(iii) child protective services in a State or local government setting, elementary and secondary education, and psychology or child development, as well as serving in one of the two positions that may be held by a member not required to be recognized for knowledge of and expertise in or concerning a specialized subject (as required by section 102(c) of the Child Abuse Prevention and Treatment Act (as such section is amended by subsection (a)) the initial appointments (or reappointments of members who are providing continued service) shall be for terms beginning on May 29, 1995, and ending on May 28, 1999.

(C) REAPPOINTMENTS.—With respect to a member serving on the Board in accordance with subparagraph (B), the number of terms to which such member was appointed on the Advisory Board on Child Abuse and Neglect established under section 102 of the Child Abuse Prevention and Treatment Act (as such section existed prior to the date of enactment of this Act) shall be counted as if such appointments had been made to the Board as it exists after such date of enactment.

Subtitle A—General State Program

SEC. 110. GRANT PROGRAM FOR CHILD ABUSE NEGLECT PREVENTION AND TREATMENT.

Section 107 (42 U.S.C. 5106a) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary, acting through the Center, shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake and screening of reports of abuse and neglect through the improvement of the receipt of information, decisionmaking, public awareness, and training of staff;

"(2)(A) investigating such reports through improving response time, decisionmaking, referral to services, and training of staff;

"(B) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(C) improving legal preparation and representation;

"(3) case management and delivery services provided to families through the improvement of

response time in service provision, improving the training of staff, and increasing the numbers of families to be served;

"(4) enhancing the general child protective system by improving assessment tools, automation systems that support the program, information referral systems, and the overall training of staff to meet minimum competencies; or

"(5) developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs."; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall annually submit a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. The plan shall describe the current system capacity of the State in the relevant area or areas from which to assess programs with grant funds and specify the manner in which funds from the State's programs will be used to make improvements. The plan required under this subsection shall contain, with respect to each area in which the State intends to use funds from the grant, the following information with respect to the State:

"(1) INTAKE AND SCREENING.—

"(A) STAFFING.—The number of child protective service workers responsible for the intake and screening of reports of abuse and neglect relative to the number of reports filed in the previous year.

"(B) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in report-taking, screening, decisionmaking, and referral for investigation.

"(C) PUBLIC EDUCATION.—An assessment of the State or local agency's public education program with respect to—

"(i) what is child abuse and neglect;

"(ii) who is obligated to report and who may choose to report; and

"(iii) how to report.

"(2) INVESTIGATION OF REPORTS.—

"(A) RESPONSE TIME.—The number of reports of child abuse and neglect filed in the State in the previous year where appropriate, the agency response time to each with respect to initial investigation, the number of substantiated and unsubstantiated reports, and where appropriate, the response time with respect to the provision of services.

"(B) STAFFING.—The number of child protective service workers responsible for the investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(C) INTERAGENCY COORDINATION.—A description of the extent to which interagency coordination processes exist and are available Statewide, and whether protocols or formal policies governing interagency relationships exist in the following areas—

"(i) multidisciplinary investigation teams among child welfare and law enforcement agencies;

"(ii) interagency coordination for the prevention, intervention and treatment of child abuse and neglect among agencies responsible for child protective services, criminal justice, schools, health, mental health, and substance abuse; and

"(iii) special interagency child fatality review panels, including a listing of those agencies that are involved.

"(D) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as investigation, risk assessment, court preparation, and referral to and provision of services.

"(E) LEGAL REPRESENTATION.—A description of the State agency's current capacity for legal representation, including the manner in which workers are prepared and trained for court preparation and attendance, including procedures for appealing substantiated reports of abuse and neglect.

"(3) CASE MANAGEMENT AND DELIVERY OF ONGOING FAMILY SERVICES.—For children for whom a report of abuse and neglect has been substantiated and the children remain in their own homes and are not currently at risk of removal, the State shall assess the activities and the outcomes of the following services:

"(A) RESPONSE TIME.—The number of cases opened for services as a result of investigation of child abuse and neglect reports filed in the previous year, including the response time with respect to the provision of services from the time of initial report and initial investigation.

"(B) STAFFING.—The number of child protective service workers responsible for providing services to children and their families in their own homes as a result of investigation of reports of child abuse and neglect.

"(C) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as risk assessment, court preparation, provision of services and determination of case disposition, including how such training is evaluated for effectiveness.

"(D) INTERAGENCY COORDINATION.—The extent to which treatment services for the child and other family members are coordinated with child welfare, social service, mental health, education, and other agencies.

"(4) GENERAL SYSTEM ENHANCEMENT.—

"(A) AUTOMATION.—A description of the capacity of current automated systems for tracking reports of child abuse and neglect from intake through final disposition and how personnel are trained in the use of such system.

"(B) ASSESSMENT TOOLS.—A description of whether, how, and what risk assessment tools are used for screening reports of abuse and neglect, determining whether child abuse and neglect has occurred, and assessing the appropriate level of State agency protection and intervention, including the extent to which such tool is used statewide and how workers are trained in its use.

"(C) INFORMATION AND REFERRAL.—A description and assessment of the extent to which a State has in place—

"(i) information and referral systems, including their availability and ability to link families to various child welfare services such as homemakers, intensive family-based services, emergency caretakers, home health visitors, daycare and services outside the child welfare system such as housing, nutrition, health care, special education, income support, and emergency resource assistance; and

"(ii) efforts undertaken to disseminate to the public information concerning the problem of child abuse and neglect and the prevention and treatment programs and services available to combat instances of such abuse and neglect.

"(D) STAFF CAPACITY AND COMPETENCE.—An assessment of basic and specialized training needs of all staff and current training provided staff. Assessment of the competencies of staff with respect to minimum knowledge in areas such as child development, cultural and ethnic diversity, functions and relationship of other systems to child protective services and in specific skills such as interviewing, assessment, and decisionmaking relative to the child and family, and the need for training consistent with such minimum competencies.

"(5) INNOVATIVE APPROACHES.—A description of—

"(A) research and demonstration efforts for developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs, including the interagency efforts at the State level; and

"(B) the manner in which proposed research and development activities build on existing capacity in the programs being addressed.".

SEC. 111. GRANT PROGRAM FOR INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.

Section 109 (42 U.S.C. 5106c) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"SEC. 109. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.";

(2) in subsection (a), by striking out paragraphs (1) and (2), and inserting in lieu thereof the following new paragraphs:

"(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

"(2) the handling of cases of suspected child abuse or neglect related fatalities; and

"(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.";

(3) in subsection (b)—

(A) by striking out "and 107(e) or receive a waiver under section 107(c)" in paragraph (1);

(B) by striking out "and" at the end of paragraph (3);

(C) by inserting "annually" after "submit" in paragraph (4); and

(D) by striking out the period at the end thereof and inserting the following: "; and

"(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (4) of subsection (a).";

(4) in subsection (c)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting ", and maintain" after "designate"; and

(ii) by striking out "child abuse" and inserting in lieu thereof "child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities";

(B) by striking out "judicial and legal officers", in subparagraph (B) and inserting in lieu thereof "judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect";

(C) by inserting before the semicolon in subparagraph (C), the following: ", including both attorneys for children and, where such programs are in operation, court appointed special advocates";

(D) by striking out subparagraph (E); and

(E) by striking out "handicaps;" in subparagraph (F), and inserting in lieu thereof "disabilities; and"; and

"(G) by striking out subparagraph (G) and redesignating subparagraph (H) as subparagraph (G);

(5) in subsection (d)—

(A) by striking out "the State task force shall" in the matter preceding paragraph (1), and inserting in lieu thereof "and at three year intervals thereafter, the State task force shall comprehensively";

(B) by striking out "judicial" and all that follows in paragraph (1), and inserting in lieu thereof the following: "both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal;";

(C) by inserting "policy and training" before "recommendations" in paragraph (2); and

(6) in subsection (e)(1)—

(A) by striking out "child abuse" and all that follows through "child victim" in subparagraph (A), and inserting in lieu thereof the following: "child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family";

(B) by striking out "improve the rate" and all that follows through "abuse cases" in subparagraph (B), and inserting in lieu thereof the following: "improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children"; and

(C) in subparagraph (C)—

(i) by inserting ", protocols" after "regulations"; and

(ii) by inserting "and exploitation" after "sexual abuse".

Subtitle B—Community-Based Prevention Grants

SEC. 121. TITLE HEADING AND PURPOSE.

(a) TITLE HEADING.—The heading for title II (42 U.S.C. 5116 et seq.) is amended to read as follows:

"TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS"

(b) PURPOSE.—Section 201 (42 U.S.C. 5116) is amended—

(1) in the section heading to read as follows:

"SEC. 201. PURPOSES.";

and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"It is the purpose of this title, through the provision of community-based child abuse and neglect prevention grants, to assist States in supporting child abuse and neglect prevention activities.".

SEC. 122. DEFINITIONS.

Section 202 (42 U.S.C. 5116a) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof; and

(2) in paragraph (2), by striking out the period and inserting in lieu thereof "; and".

SEC. 123. STATE ELIGIBILITY.

Section 204 (42 U.S.C. 5116c) is amended—

(1) by striking out "or other funding mechanism"; and

(2) by striking out "which is available only for child" and all that follows through the end thereof, and inserting "which includes (in whole or in part) legislative provisions making funding available only for the broad range of child abuse and neglect prevention activities.".

SEC. 124. LIMITATIONS.

Section 205 (42 U.S.C. 5116d) is amended—

(1) by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph:

"(1) ALLOTMENT FORMULA.—

"(A) IN GENERAL.—Amounts appropriated to provide grants under this title shall be allotted among eligible States in each fiscal year so that—

"(i) 50 percent of the total amount appropriated is allotted among each State based on the number of children in each such State; and

"(ii) the remaining 50 percent of the total amount appropriated is allotted in an amount equal to 25 percent of the total amount collected by each such State, in the fiscal year prior to the fiscal year for which the allotment is being determined, for the children's trust fund of the State for child abuse and neglect prevention activities.

"(B) USE OF AMOUNTS.—Not less than 50 percent of the amount of a grant made to a State under this title in each fiscal year shall be utilized to support community-based prevention programs as authorized in section 204(a), except that this subparagraph shall not become applicable until amounts appropriated under section 203(b) exceed $10,000,000."; and

(2) in subsection (b)(1)—

(A) by striking out "trust fund advisory board" and all that follows through "section 101" in subparagraph (A) and inserting in lieu thereof "advisory board established under section 102";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (F) and (G), respectively; and

(C) by inserting after subparagraph (A) the following new subparagraphs:

"(B) demonstrate coordination with other child abuse and neglect prevention activities and agencies at the State and local levels;

"(C) demonstrate the outcome of services and activities funded under this title;

"(D) provide evidence that Federal assistance received under this title has been supplemented with non-Federal public and private assistance (including in-kind contributions) at the local level (Federal assistance expended in support of activities authorized under paragraphs (1), (2), and (3) of section 204 shall be supplemented by State assistance);

"(E) demonstrate the extent to which funds received under this title are used to support community prevention activities in underserved areas, in which case the supplemental support required under subparagraph (D) shall be waived for the first 3 years in which assistance is provided to a grantee described in this subparagraph;".

Subtitle C—Certain Preventive Services Regarding Children of Homeless Families or Families at Risk of Homelessness

SEC. 131. CERTAIN PREVENTIVE SERVICES REGARDING CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 302(b) (42 U.S.C. 5118a(b)) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) by redesignating paragraph (4) as paragraph (6); and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) the provision of emergency housing-related assistance necessary to prevent the placement of children in out-of-home care, to facilitate the reunification of children with their families, and to enable the discharge of youths not less than 16 years of age from such area, including assistance in meeting the costs of—

"(A) rent or utility arrears to prevent an eviction or termination of utility services;

"(B) security and utility deposits, first month's rent, and basic furnishings; and

"(C) other housing-related assistance;

"(5) the provision to families, and to youths not less than 16 years of age who are preparing to be discharged from such care, of temporary rent subsidies necessary to prevent the initial or prolonged placement of children in out-of-home care, which subsidies are provided in an amount not exceeding 70 percent of the local fair market rental value and are provided for a period not to exceed 180 days; and".

Subtitle D—Child Abuse Treatment Improvements Grants

SEC. 141. ESTABLISHMENT OF PROGRAM.

The Act is amended by adding at the end thereof the following new title:

"TITLE IV—MISCELLANEOUS PROGRAMS

"SEC. 401. CHILD ABUSE TREATMENT IMPROVEMENTS GRANT PROGRAM.

"(a) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this section as the 'Secretary'), acting through the Administration for Children, Youth and Families, may award grants to eligible entities to improve the treatment of children exposed to abuse or neglect and the families of such children, particularly when such children have been placed in out-of-home care.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall—

"(1) be a State or local public or nonprofit private entity;

"(2) have the approval of the State agency responsible for administering public child welfare services, to apply for such grant;

"(3) be responsible for administering or providing child welfare services (including out-of-home services); and

"(4) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require including the information required under subsection (c).

"(c) CONTENTS OF APPLICATION.—An application submitted by an entity under subsection (b)(4) shall contain—

"(1) a description of the proposed program to be established, implemented or improved using amounts received under a grant, including the specific activities to be undertaken, the agencies that will be involved, the process that has been established for evaluating such activities, and the nature of any innovations proposed;

"(2) evidence of the need that the activity or program, to be conducted using amounts received under the grant, will address;

"(3) assurances that amounts received under the grant will be used to supplement, not supplant, existing funds provided by the State for child welfare purposes;

"(4) assurances that the applicant entity will provide not less than 20 percent of the total amounts needed to pay the costs associated with the program funded under such grant;

"(5) assurances that the applicant entity will provide information to the Secretary concerning the progress and outcome of the program to be funded under such grant;

"(6) a description of the procedures to be used to disseminate the findings derived from the program to be funded under such grant within the State;

"(7) a description of the extent to which multiple agencies will be involved in the design, development, operation, and staffing of the program to be funded under such grant; and

"(8) and other information determined appropriate by the Secretary.

"(d) USE OF FUNDS.—An entity may use amounts provided under a grant awarded under this section to—

"(1)(A) develop models of out-of-home care that are designed to promote the reunification of children with their families, including training and support components for foster parents to enable such parents to assist the birthparents with reunification efforts;

"(B) develop comprehensive service approaches for child out-of-home care and for the families of such children, specifically focused on reunification; and

"(C) establish activities that are designed to promote visitation of parents and children, such as the establishment of neutral settings for

structured visits between biological parents and children in care;

"(2) develop activities that are designed to support relatives caring for children who have been abused or neglected or children from families where substance abuse is present;

"(3) enhance the reimbursement and other support provided to foster parents, including relatives, to promote better recruitment and retention of foster parents;

"(4) develop activities and programs designed to—

"(A) promote the healthy physical, social, emotional, and educational development of children in out-of-home care and under child abuse preventive services supervision, including—

"(i) the conduct of comprehensive, multidisciplinary assessments of the physical, social, emotional, and educational development of such children, with particular attention given to the needs and strengths of the families of such children; and

"(ii) the development of services to meet such needs which involve multiple service agencies and alternative support systems within the community;

"(B) provide training for foster parents to address the physical, social, emotional, and educational needs of the children in their care; or

"(C) provide special programs to assist children with academic or developmental problems;

"(5) develop and implement programs that provide mentors, who are adults from the community or who are former foster youths, to use an out-of-home care, in order to address their special needs, increase self esteem, and provide role models;

"(6) provide incentives that may be necessary to establish and recruit foster family homes for special populations, including children who are medically fragile or have other special physical, mental, and emotional disabilities, adolescent mothers and their children who are in care, and children who have been sexually abused;

"(7) hire staff with specialized knowledge in the areas of substance abuse, child development, education, health care, and adolescents, to provide support and act as a resource for caseworkers working with children and families with special needs in these areas; and

"(8) conduct other activities as the Secretary determines appropriate.

"(e) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section the Secretary shall consider—

"(1) the geographic dispersion of the applicants for such grants;

"(2) the likelihood that the proposed service approach of the applicant would be transferable to other sites; and

"(3) the need for variety in the problems to be addressed by the applicants and in the models used to address similar problems.

"(f) ADMINISTRATION.—In administering the grant program established under this section the Administration for Children, Youth and Families shall—

"(1) require grantees to submit annual reports concerning the projects funded under such grants and a final report assessing the outcome of such projects;

"(2) arrange for the dissemination of project results through such means as the child welfare resource centers and the National Clearinghouse on Child Abuse and Neglect; and

"(3) provide for the evaluation of projects funded under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $30,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.".

SEC. 142. TECHNICAL AMENDMENT.

The Act is amended in the table of contents in section 1(b) by adding at the end thereof the following new items:

"TITLE IV—MISCELLANEOUS PROGRAMS

"Sec. 401. Child abuse treatment improvements grant program.".

Subtitle E—Reauthorization of Certain Programs

SEC. 151. EMERGENCY GRANT PROGRAM.

Section 107A(e) (42 U.S.C. 5106a–1(e)) is amended by striking out "and such sums" and all that follows through the end thereof and inserting "such sums as may be necessary for fiscal year 1991, $40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 152. GENERAL GRANT PROGRAMS.

Subsection (a) of section 114 (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title, except for section 107A, $150,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994. Of amounts appropriated under this section in any fiscal year—

"(1) 33⅓ percent of such amounts shall be made available in each such fiscal year for activities under sections 104, 105 and 106; and

"(2) 66⅔ percent of such amounts shall be made available in each such fiscal year for activities under sections 107 and 108.

A State may spend the entire amount provided to such State under this title in a fiscal year for the purposes described in subsection (a)(5) of section 107, except that subsequent to the date on which the amount appropriated and available under paragraph (2) exceeds $40,000,000, such State shall not spend in excess of 15 percent of such amounts for the purposes described in subsection (a)(5) of section 107.".

SEC. 153. COMMUNITY-BASED PREVENTION GRANTS.

Section 203 (42 U.S.C. 5116b) is amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) as subsection (b); and

(3) in subsection (b) (as so redesignated), by striking out "such sums" and all that follows through the period and inserting in lieu thereof "$50,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 154. PREVENTIVE SERVICES FOR CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 306(a) (42 U.S.C. 5118e(a)) is amended by inserting ", and such sums as may be necessary in each of the fiscal years 1993 and 1994" before the period.

SEC. 155. REAUTHORIZATION OF NATIONAL CHILD ABUSE ADVISORY BOARD.

To be supplied

Subtitle F—Miscellaneous Provisions

SEC. 161. REPORT CONCERNING VOLUNTARY REPORTING SYSTEM.

Not later than April 30, 1992, and annually thereafter, the Secretary of Health and Human Services, acting through the Director of the National Center on Child Abuse and Neglect, shall prepare and submit to the appropriate committees of Congress a report concerning the measures being taken to assist States in implementing a voluntary reporting system for child abuse and neglect. Such reports shall contain information concerning the extent to which the child abuse and neglect reporting systems developed by the States are coordinated with the automated foster care and adoption reporting system required under section 479 of the Social Security Act.

TITLE II—CHILDREN WITH DISABILITIES TEMPORARY CARE

SEC. 201. SHORT TITLE.

This title may be cited as the "Children With Disabilities Temporary Care Reauthorization Act of 1991".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206 of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended in the first sentence, by inserting before the period the following: ", and $20,000,000 for each of the fiscal years 1992 through 1994".

SEC. 203. TECHNICAL AMENDMENT.

Section 205(a)(1)(A)(vi) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117c(a)(1)(A)(vi)) is amended by striking out "(vi)" and inserting in lieu thereof "(v)".

SEC. 204. EFFECTIVE DATE.

The amendments made by this title shall take effect October 1, 1991, or on the date of the enactment of this Act, whichever occurs later.

TITLE III—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO FAMILY VIOLENCE

SEC. 301. REFERENCES.

Except as otherwise provided, whenever in this title 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 Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. EXPANSION OF PURPOSE.

Section 302 (42 U.S.C. 10401) is amended—

(1) in paragraph (1)—

(A) by striking out "demonstration the effectiveness of assisting" and inserting in lieu thereof "assist"; and

(B) by striking out "to prevent" and inserting in lieu thereof "to increase public awareness about and prevent"; and

(2) in paragraph (2), by inserting ", courts, legal, social service, and health care professionals" after "(including law enforcement agencies".

SEC. 303. EXPANSION OF STATE GRANT PROGRAM.

Section 303(a) (42 U.S.C. 10402(a)) is amended—

(1) in paragraph (1), by striking out "demonstration grants" and inserting in lieu thereof "grants"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" in the matter preceding subparagraph (A), and inserting in lieu thereof "grant";

(B) by striking out "demonstration grant" in subparagraph (A), and inserting in lieu thereof "grant"; and

(C) by striking out "particularly those projects" in subparagraph (B)(ii) and all that follows through the end thereof, and inserting in lieu thereof the following: "the primary purpose of which is to operate shelters for victims of family violence and their dependents, and those which provide counseling, advocacy, and self-help services to victims and their children.".

SEC. 304. INVOLVEMENT IN PLANNING.

Section 303(a)(2)(C) (42 U.S.C. 10402(a)(2)(C)) is amended by inserting "State domestic violence coalitions" after "involve".

SEC. 305. CONFIDENTIALITY ASSURANCES.

Section 303(a)(2)(E) (42 U.S.C. 10402(a)(2)(E)) is amended by striking out "assurances that procedures will be developed" and inserting in lieu thereof "documentation that procedures have been developed, and implemented including copies of the policies and procedure,".

SEC. 306. PROCEDURE FOR EVICTING VIOLENT SPOUSES.

Section 303(a)(2)(F) (42 U.S.C. 10402(a)(2)(F)) is amended to read as follows:

"(F) provide documentation to the Secretary that the State has a law or procedure that has been implemented for the eviction of an abusing spouse from a share household;".

SEC. 307. PENALTIES FOR NONCOMPLIANCE.

Section 303(a)(3) (42 U.S.C. 10402(c)) is amended—

(1) by inserting "a 6-month period providing an" before "opportunity"; and

(2) by adding at the end thereof the following new sentences: "The Secretary shall provide such notice within 45 days of the date of the application if any of the provisions of subsection (a)(2) have not been satisfied in such application. If the State has not corrected the deficiencies in such application within the 6-month period following the receipt of the Secretary's notice of intention to disapprove, the Secretary shall withhold payment of any grant funds to such State until the date that is 30 days prior to the end of the fiscal year for which such grant funds are appropriated or until such time as the State provides documentation that the deficiencies have been corrected, whichever occurs first. State Domestic Violence Coalitions shall be permitted to challenge a determination as to whether a grantee is in compliance with, or to seek the enforcement of, the eligibility requirements of subsection (a)(2).".

SEC. 308. GRANTS TO INDIAN TRIBES.

Section 303(b) (42 U.S.C. 10402(b)) is amended—

(1) in paragraph (1)—

(A) by striking out "is authorized to make demonstration grants" and inserting in lieu thereof ", from amounts appropriated to carry out this section, shall make available not less than 10 percent of such amounts to make grants";

(B) by striking out "and tribal" and inserting in lieu thereof ", tribal"; and

(C) by inserting "and nonprofit private organizations approved by an Indian Tribe for the operation of a family violence shelter on a Reservation", after "tribal organizations"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by striking out "and (E)" and inserting in lieu thereof "(E) and (F)"; and

(C) by adding at the end thereof the following new sentence: "No entity eligible to submit an application under paragraph (1) shall be prohibited from making an application during any fiscal year for which funds are available because such entity has not previously applied or received funding under this section.".

SEC. 309. MAXIMUM CEILING.

Subsection (c) of section 303 (42 U.S.C. 10402(c)) is repealed, and subsections (d) through (g) are redesignated as subsections (c) through (f), respectively.

SEC. 310. GRANTS TO ENTITIES OTHER THAN STATES; LOCAL SHARE.

The section 303(e) (42 U.S.C. 10402(f)) (as so redesignated by section 309) is amended—

(1) in the first sentence—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by inserting "or an Indian Tribe" after "State";

(C) by striking out "35 percent" and inserting in lieu thereof "20 percent";

(D) by striking out "55 percent" and inserting in lieu thereof "35 percent";

(E) by striking out "65 percent in the third such year" and inserting in lieu thereof "and, for any year thereafter"; and

(2) in the second sentence, by striking out "50 percent" and inserting in lieu thereof "25 percent".

SEC. 311. SHELTER AND RELATED ASSISTANCE.

(a) SHELTER.—Section 303(f) (42 U.S.C. 10402(g)) (as so redesignated by section 309) is amended—

(1) by striking out "60 percent" and inserting in lieu thereof "70 percent"; and

(2) by inserting before the period the following: "as defined in section 309(4). Not less than 15 percent of the funds distributed under subsection (a) or (b) shall be distributed for the purpose of providing related assistance as defined under section 309(5)(A), and not more than 10 percent for the purpose of providing family violence prevention services as defined under section 309(5)(B)".

(b) DEFINITION.—Paragraph (5) of section 309 (42 U.S.C. 10408(5)) is amended to read as follows:

"(5) The term 'related assistance' means the provision of direct assistance to victims of family violence and their dependents for the purpose of preventing further violence, helping such victims to gain access to civil and criminal courts and other community services, facilitating the efforts of such victims to make decisions concerning their lives in the interest of safety, and assisting such victims in healing from the effects of the violence. Related assistance—

"(A) shall include—

"(i) counseling with respect to family violence, counseling by peers individually or in groups, and referral to community social services;

"(ii) transportation, technical assistance with respect to obtaining financial assistance under Federal and State programs, and referrals for appropriate health-care services (including alcohol and drug abuse treatment), but shall not include reimbursement for any health-care services;

"(iii) legal advocacy to provide victims with information and assistance through the civil and criminal courts, and legal assistance; or

"(iv) children's counseling and support services, and child care services for children who are victims of family violence or the dependents of such victims; and

"(B) may include prevention services such as outreach and prevention services for victims and their children, employment training, parenting and other educational services for victims and their children, preventive health services within domestic violence programs (including nutrition, disease prevention, exercise, and prevention of substance abuse), domestic violence prevention programs for school age children, family violence public awareness campaigns, and violence prevention counseling services to abusers.".

SEC. 312. ALLOTMENT OF FUNDS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended—

(1) by striking out "whichever is the greater of the following amounts: one-half of"; and

(2) by striking out "$50,000" and inserting in lieu thereof "$200,000, whichever is the lessor amount".

SEC. 313. SECRETARIAL RESPONSIBILITIES.

Section 305(b)(2)(A) (42 U.S.C. 10404(b)(2)(A)) is amended—

(1) by striking out "into the causes of family violence";

(2) by inserting "most effective" before "prevention";

(3) by striking out "and (ii)" and inserting in lieu thereof "(ii)"; and

(4) by inserting before "and (B)" the following: "(iii) the effectiveness of providing safety and support to maternal and child victims of family violence as a way to eliminate the abuse experienced by children in such situations, (iv) identification of intervention approaches to child abuse prevention services which appear to be successful in preventing child abuse where both mother and child are abused, (v) effective and appropriate treatment services for children where both mother and child are abused, and (vi) the individual and situational factors leading to the end of violent and abusive behavior by persons who commit acts of family violence, including such factors as history of previous violence and the legal and service interventions received,".

SEC. 314. EVALUATION AND REPORT TO CONGRESS.

Section 306 (42 U.S.C. 10405) is amended—

(1) by inserting "and every two years thereafter," after "the first time after the date of the enactment of this title,";

(2) by striking out "assurances" and inserting in lieu thereof "documentation"; and

(3) by striking out "303(a)(2)(F)" and inserting in lieu "303(a)(2)(B) through 303(a)(2)(F)".

SEC. 315. FUNDING FOR TECHNICAL ASSISTANCE CENTERS.

Section 308 (42 U.S.C. 10407) is amended to read as follows:

"SEC. 308. INFORMATION AND TECHNICAL ASSISTANCE CENTERS.

"(a) PURPOSE AND GRANTS.—

"(1) PURPOSE.—It is the purpose of this section to provide resource information, training, and technical assistance to Federal, State, and Indian tribal agencies, as well as to local domestic violence programs and to other professionals who provide services to victims of domestic violence.

"(2) GRANTS.—From the amounts appropriated under this title, the Secretary shall award grants to private nonprofit organizations for the establishment and maintenance of one national resource center (as provided for in subsection (b)) and not to exceed six special issue resource centers (as provided for in subsection (c)) focusing on one or more issues of concern to domestic violence victims.

"(b) NATIONAL RESOURCE CENTER.—The national resource center established under subsection (a)(2) shall offer resource, policy and training assistance to Federal, State, and local government agencies, to domestic violence service providers, and to other professionals and interested parties on issues pertaining to domestic violence, and shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics and analyses thereof relating to the incidence and prevention of family violence (particularly the prevention of repeated incidents of violence) and the provision of immediate shelter and related assistance.

"(c) SPECIAL ISSUE RESOURCE CENTERS.—The special issue resource centers established under subsection (a)(2) shall provide information, training and technical assistance to State and local domestic violence service providers, and shall specialize in at least one of the following areas of domestic violence service, prevention, or law:

"(1) Criminal justice response to domestic violence, including court-mandated abuser treatment.

"(2) Improving the response of Child Protective Service agencies to battered mothers of abused children.

"(3) Child custody issues in domestic violence cases.

"(4) The use of the self-defense plea by domestic violence victims.

"(5) Improving interdisciplinary health care responses and access to health care resources for victims of domestic violence.

"(6) Improving access to and the quality of legal representation for victims of domestic violence in civil litigation.

"(d) ELIGIBILITY.—To be eligible to receive a grant under this section an entity shall be a private nonprofit organizations that—

"(1) focuses primarily on domestic violence;

"(2) provides documentation to the Secretary demonstrating experience working directly on issues of domestic violence, particularly in the specific subject area for which it is applying;

"(3) include on its advisory boards representatives from domestic violence programs in the region who are geographically and culturally diverse; and

"(4) demonstrate the strong support of domestic violence advocates from across the country and the region for their designation as the national or a special issue resource center.

"(e) REPORTING.—Not later than 6 months after receiving a grant under this section, a grantee shall prepare and submit a report to the Secretary that evaluates the effectiveness of the use of amounts received under such grant by such grantee and containing such additional information as the Secretary may prescribe.

"(f) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations.

"(g) FUNDING.—From the amounts appropriated under section 310, not in excess of 5 percent of such amount for each fiscal year shall be used for the purpose of making grants under this section.".

SEC. 316. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended to read as follows:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of sections 303 through 309 and section 313, $85,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(b) SECTION 303 (a) AND (b).—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 80 percent shall be used for making grants under subsection 303(a), and not less than 10 percent shall be used for the purpose of carrying out section 303(b).

"(c) SECTION 308.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 5 percent shall be used by the Secretary for making grants under section 308.".

SEC. 317. LAW ENFORCEMENT TRAINING AND TECHNICAL ASSISTANCE GRANTS AND CONTRACTS AND GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

Section 311 (42 U.S.C. 10410) is amended to read as follows:

"SEC. 311. GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

"(a) IN GENERAL.—The Secretary shall award grants for the funding of State domestic violence coalitions. Such coalitions shall further the purposes of domestic violence intervention and prevention through activities, including—

"(1) working with judicial and law enforcement agencies to encourage appropriate responses to domestic violence cases and examine issues including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation when domestic violence is involved;

"(C) the use of mandatory arrests of accused offenders;

"(D) the discouragement of dual arrests;

"(E) the adoption of aggressive and vertical prosecution policies and procedures;

"(F) the use of mandatory requirements for presentence investigations;

"(G) the length of time taken to prosecute cases or reach plea agreements;

"(H) the use of plea agreements;

"(I) the consistency of sentencing, including comparisons of domestic violence crimes with other violent crimes;

"(K) the restitution of victims;

"(L) the use of training and technical assistance to law enforcement and court officials and other professionals;

"(M) the reporting practices of, and significance to be accorded to, prior convictions (both felony and misdemeanor) and protection orders;

"(N) the use of interstate extradition in cases of domestic violence crimes;

"(O) the use of statewide and regional planning; and

"(P) any other matters as the Secretary and the State domestic violence coalitions believe merit investigations;

"(2) work with family law judges, Child Protective Services agencies, and children's advocates to develop appropriate responses to child custody and visitation issues in domestic violence cases as well as cases where domestic violence and child abuse are both present, including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation where domestic violence is involved;

"(C) the inappropriate use of marital or conjoint counseling in domestic violence cases;

"(D) the use of training and technical assistance for family law judges and court personnel;

"(E) the presumption of custody to domestic violence victims;

"(F) the use of comprehensive protection orders to grant fullest protections possible to victims of domestic violence, including temporary support and maintenance;

"(G) the development by Child Protective Service of supportive responses that enable victims to protect their children;

"(H) the implementation of supervised visitations that do not endanger victims and their children; and

"(I) the possibility of permitting domestic violence victims to remove children from the State when the safety of the children or the victim is at risk;

"(3) conduct public education campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence; and

"(4) participate in planning and monitoring of the distribution of grants and grant funds to their State under section 303(a).

"(b) ELIGIBILITY.—To be eligible for a grant under this section an entity shall be a statewide nonprofit State domestic violence coalition whose—

"(1) membership includes representatives from a majority of the programs for victims of domestic violence in the State;

"(2) board membership is representative of such programs; and

"(3) purpose is to provide services, community education, and technical assistance to such programs to establish and maintain shelter and related services for victims of domestic violence and their children.

"(c) ALLOTMENT OF FUNDS.—From amounts appropriated under this section for each fiscal year, the Secretary shall allot to each State, the District of Columbia, the Commonwealth of Puerto Rico, and the combined U.S. Territories an amount equal to 1/53 of the amount appropriated for such fiscal year. For purposes of this section, the term 'combined U.S. Territories' means Guam, American Samoa, the U.S. Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and shall not receive less than 1.5 percent of the funds appropriated for each fiscal year.

"(d) REPORTING.—Each State domestic violence coalition receiving amounts under this section shall submit a report to the Secretary describing the coordination, training and technical assistance and public education services performed with such amounts and evaluating the effectiveness of those services.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each fiscal year to be used to award grants under this section.

"(f) REGULATIONS.—Not later than 45 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing this section.".

SEC. 318. REGULATIONS.

Section 312(a) (42 U.S.C. 10409(a)) is amended by adding at the end thereof the following new sentence:

"Not later than 90 days after the date of enactment of this sentence, the Secretary shall publish proposed regulations implementing sections 303, 308, and 314. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing such sections.".

SEC. 319. FAMILY MEMBER ABUSE INFORMATION AND DOCUMENTATION.

Section 313(1) (42 U.S.C. 10409(1)) is amended by striking out "characteristics relating to family violence" and inserting in lieu thereof "develop data on the number of victims of family violence and their dependents who are homeless or institutionalized as a result of the violence and abuse they have experienced".

SEC. 320. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

The Act is amended by adding at the end thereof the following new section:

"SEC. 314. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

"(a) IN GENERAL.—The Secretary may make grants to public or private nonprofit entities to provide public information campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence.

"(b) APPLICATION.—No grant, contract, or cooperative agreement shall be made or entered into under this section unless an application that meets the requirements of subsection (c) has been approved by the Secretary.

"(c) REQUIREMENTS.—An application submitted under subsection (b) shall—

"(1) provide such agreements, assurances, and information, be in such form and be submitted in such manner as the Secretary shall prescribe through notice in the Federal Register, including a description of how the proposed public information campaign will target the population at risk, including pregnant women;

"(2) include a complete description of the plan of the application for the development of a public information campaign;

"(3) identify the specific audiences that will be educated, including communities and groups with the highest prevalence of domestic violence;

"(4) identify the media to be used in the campaign and the geographic distribution of the campaign;

"(5) describe plans to test market a development plan with a relevant population group and in a relevant geographic area and give assurance that effectiveness criteria will be implemented prior to the completion of the final plan that will include an evaluation component to measure the overall effectiveness of the campaign;

"(6) describe the kind, amount, distribution, and timing of informational messages and such other information as the Secretary may require, with assurances that media organizations and other groups with which such messages are placed will not lower the current frequency of public service announcements; and

"(7) contain such other information as the Secretary may require.

"(d) USE.—A grant, contract, or agreement made or entered into under this section shall be used for the development of a public information campaign that may include public service announcements, paid educational messages for print media, public transit advertising, electronic broadcast media, and any other mode of conveying information that the Secretary determines to be appropriate.

"(e) CRITERIA.—The criteria for awarding grants shall ensure that an applicant—

"(1) will conduct activities that educate communities and groups at greatest risk;

"(2) has a record of high quality campaigns of a comparable type; and

"(3) has a record of high quality campaigns that educate the population groups identified as most at risk.".

SEC. 321. MODEL STATE LEADERSHIP INCENTIVE GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

The Act (as amended by section 320) is further amended by adding at the end thereof the following new section:

"SEC. 315. MODEL STATE LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

"(a) IN GENERAL.—The Secretary, in cooperation with the Attorney General, shall award grants to not less than 10 States to assist such States in becoming model demonstration States and in meeting the costs of improving State leadership concerning activities that will—

"(1) increase the number of prosecutions for domestic violence crimes;

"(2) encourage the reporting of incidences of domestic violence; and

"(3) facilitate 'arrests and aggressive' prosecution policies.

"(b) DESIGNATION AS MODEL STATE.—To be designated as a model State under subsection (a), a State shall have in effect—

"(1) a law that requires mandatory arrest of a person that police have probable cause to believe has committed an act of domestic violence or probable cause to believe has violated an outstanding civil protection order;

"(2) a law or policy that discourages 'dual' arrests;

"(3) statewide prosecution policies that—

"(A) authorize and encourage prosecutors to pursue cases where a criminal case can be proved, including proceeding without the active involvement of the victim if necessary; and

"(B) implement model projects that include either—

"(i) a 'no-drop' prosecution policy; or

"(ii) a vertical prosecution policy; and

"(C) limit diversion to extraordinary cases, and then only after an admission before a judicial officer has been entered;

"(4) statewide guidelines for judges that—

"(A) reduce the automatic issuance of mutual restraining or protective orders in cases where only one spouse has sought a restraining or protective order;

"(B) discourage custody or joint custody orders by spouse abusers; and

"(C) encourage the understanding of domestic violence as a serious criminal offense and not a trivial dispute;

"(5) develop and disseminate methods to improve the criminal justice system's response to domestic violence to make existing remedies as easily available as possible to victims of domestic violence, including reducing delay, eliminating court fees, and providing easily understandable court forms.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—In addition to the funds authorized to be appropriated under section 310, there are authorized to be appropriated to make grants under this section $25,000,000 for fiscal year 1992 and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) LIMITATION.—Funds shall be distributed under this section so that no State shall receive more than $2,500,000 in each fiscal year under this section.

"(3) DELEGATION AND TRANSFER.—The Secretary shall delegate to the Attorney General the Secretary's responsibilities for carrying out this section and shall transfer to the Attorney General the funds appropriated under this section for the purpose of making grants under this section.".

SEC. 322. EDUCATING YOUTH ABOUT DOMESTIC VIOLENCE.

(a) GENERAL PURPOSE.—For purposes of this section, the Secretary of Education, hereinafter referred to as the "Secretary" shall develop model programs for education of young people about domestic violence and violence among intimate partners.

(b) NATURE OF PROGRAM.—The Secretary, in consultation with the Secretary of Health and Human Services, shall through grants or contracts develop three separate programs, one each for primary and middle schools, secondary schools, and institutions of higher education. Such model programs shall be developed with the input of educational experts, law enforcement personnel, legal and psychological experts on battering, and victim advocate organizations such as battered women's shelters. The participation of each such group or individual consultants from such groups is essential to the development of a program that meets both the needs of educational institutions and the needs of the domestic violence problem.

(c) REVIEW AND DISSEMINATION.—Not later than 9 months after the date of enactment of this Act, the Secretary shall transmit the model programs, along with a plan and cost estimate for nationwide distribution, to the relevant committees of Congress for review.

(d) AUTHORIZATION.—There are authorized to be appropriated under this section for fiscal year 1992, $200,000 to carry out the purposes of this section.

TITLE IV—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO ADOPTION

SEC. 401. FINDINGS AND PURPOSE.

Section 201 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5111) is amended to read as follows:

"SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

"(a) FINDINGS.—Congress finds that—

"(1) the number of children in substitute care increased by nearly 50 percent between 1985 and 1990, as our Nations's foster care population included more than 400,000 children at the end of June, 1990;

"(2) increasingly children entering foster care have complex problems which require intensive services;

"(3) an increasing number of infants are born to mothers who did not receive prenatal care, are born addicted to alcohol and other drugs, and exposed to infection with the etiologic agent for the human immunodeficiency virus, are medically fragile, and technology dependent;

"(4) the welfare of thousands of children in institutions and foster homes and disabled infants with life-threatening conditions may be in serious jeopardy and some such children are in need of placement in permanent, adoptive homes;

"(5) many thousands of children remain in institutions or foster homes solely because of local and other barriers to their placement in permanent, adoptive homes;

"(6) the majority of such children are of school age, members of sibling groups or disabled;

"(7) currently one-half of children free for adoption and awaiting placement are minorities;

"(8) adoption may be the best alternative for assuring the healthy development of such children;

"(9) there are qualified persons seeking to adopt such children who are unable to do so because of barriers to their placement; and,

"(10) in order both to enhance the stability and love of the child's home environment and to avoid wasteful expenditures of public funds, such children should not have medically indicated treatment withheld from them nor be maintained in foster care or institutions when adoption is appropriate and families can be found for such children.

"(b) PURPOSE.—It is the purpose of this title to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

"(1) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption; and

"(2) providing a mechanism for the Department of Health and Human Services to—

"(A) promote quality standards for adoption services, pre-placement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

"(B) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption;

"(C) maintain a National Resource Center for Special Needs Adoption to—

"(i) promote professional leadership development of minorities in the adoption field;

"(ii) provide training and technical assistance to service providers and State agencies to improve professional competency in the field of adoption and the adoption of children with special needs; and

"(iii) facilitate the development of interdisciplinary approaches to meet the needs of children who are waiting for adoption and the needs of adoptive families; and

"(D) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan.".

SEC. 402. MODEL ADOPTION LEGISLATION AND PROCEDURES.

Section 202 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5112) is repealed.

SEC. 403. INFORMATION AND SERVICE FUNCTIONS.

Section 203 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5113) is amended—

(1) in subsection (a)—

(A) by inserting ", on-site technical assistance" after "consultant services" in the second sentence;

(B) by inserting "including salaries and travel costs," after "administrative expenses," in the second sentence; and

(C) by adding at the end thereof the following new sentence: "The Secretary shall, not later than 9 months after the date of enactment of this sentence, prepare and submit to the committees of Congress having jurisdiction over such services reports, as appropriate, containing appropriate data concerning the manner in which activities were carried out under this title, and such reports shall be made available to the public."; and

(2) in subsection (b)—

(A) by striking out paragraph (1) and redesignating paragraph (2) as paragraph (1);

(B) by inserting after paragraph (1) (as so redesignated) the following new paragraph:

"(2) conduct, directly or by grant or contract with public or private nonprofit organizations, ongoing, extensive recruitment efforts on a national level, develop national public awareness efforts to unite children in need of adoption with appropriate adoptive parents, and establish a coordinated referral system of recruited families with appropriate State or regional adoption resources to ensure that families are served in a timely fashion;";

(C) by striking out "and (B)" in paragraph (3) and inserting in lieu thereof "(B) the operation of a national resource center for special needs adoption; and (C)"; and

(D) by inserting ", and to promote professional leadership training of minorities in the adoption field" before the semicolon in paragraph (4).

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5115) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) There are authorized to be appropriated, $10,000,000 for each of the fiscal years 1992 through 1994, to carry out programs and activities under this Act except for programs and activities authorized under sections 203(b)(8) and 203(c)(1)."; and

(2) in subsection (b), by striking out "$3,000,000", the first place that such appears, and all that follows through the end thereof, and inserting in lieu thereof the following: "$10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(b)(8), and there are authorized to be appropriated $10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(c)(1).".

The PRESIDING OFFICER. There are 10 minutes of debate by the previous order, 5 minutes for the Senator from Indiana and 5 minutes for the Senator from Connecticut.

The Senator from Connecticut.

AMENDMENT NO. 1309

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] for himself and Mr. COATS proposes an amendment numbered 1309.

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

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

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

Mr. DODD. Mr. President, on behalf of myself and Senator COATS of Indiana, we offer this amendment, a substitute, for the Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991.

This is legislation which reauthorizes and increases support for essential, vitally needed services. This authorization is for 3 years. It addresses comprehensively, but does not pretend to overcome, a national crisis and that is family violence which we are painfully aware of each and every day with more and more reports of the increases and this particular violent act which destroys of course the fabric of family lives.

Family violence macerates the fabric of our society and depletes our ability as a Nation to cope. The family home that should be the safe haven of a child or spouse is too often unstable, traumatic, and fractured. And instead of prepared, confident, motivated citizens, we have the specter of future generations populated by the scarred and the dysfunctional. We already see this happening.

Over 2.5 million children were found to be victims of child abuse or neglect in 1990—a 31-percent rise since 1985. Child deaths due to maltreatment increased by 38 percent from 1985 to 1990—1,211 died last year. About 2.5 percent of all American children are abused or neglected each year.

Care for maltreated children is delivered by the State Child Protective Service Agencies. But most of these State agencies have been underfunded and their caseloads have skyrocketed. Last year, over half the States received no real increases in State funding to help meet the load of reported cases. Since 1985, the Federal budget for the National Center on Child Abuse and Neglect [NCCAN] has actually dropped below the 1985 level in real dollars.

Family violence, meanwhile, is the single largest cause of injury to women in the United States; an estimated 3 to 4 million American women are injured each year by their husbands or male partners. Wife beating results in more injuries requiring medical treatment than rape, auto accidents, and muggings combined. The medical costs related to domestic violence exceed $100 million a year; over 1 million women seek medical assistance annually for injuries caused by battering. The Centers for Disease Control considers violence against women to be a widespread public health problem, affecting families of all classes and backgrounds.

Domestic violence, moreover, continues to increase. There were nearly 23,000 incidents of family violence in my own State of Connecticut in 1990 in which at least one person was arrested—a 3.2 percent increase over 1989. Especially worrisome is that children were present or involved in 44 percent of these cases. As we have come to realize, family violence and child abuse are intertwined and synergistic. An estimated 3.3 million children witness domestic violence every year. These children, in turn, are at higher risk of suffering physical abuse or neglect themselves—1,500 percent higher, to be precise, than among the general population. Children from violent homes, furthermore, are at heightened risk for substance abuse and juvenile delinquency.

The legislation we pass today seeks to prevent the abuse and neglect of children. Within the child abuse title, the community-based prevention grants have been increased to strengthen State-funded primary prevention programs. The State Grants Program focuses on the improvement of overburdened child protective services—including staff training, case management, and record systems, as well as augmenting the numbers of social workers.

The family violence provisions of this legislation improve direct services, such as shelters and counseling, for family violence victims and their children. Funding for the State domestic violence coalitions has been included in recognition of their critical successes in coordinating services, training, and strengthening of State services and legal protections.

The adoption opportunities provisions support the recruitment of prospective adoptive families. It promotes professional leadership development, especially within the minority community, to unite minority children with families of like ethnicity and culture. The bill provides for adoption training for professional agency staff and parents, and therapy services to help families cope with postadoption problems.

We should be proud of this legislation; the provisions address severely pressing needs. I am especially pleased with the broad-based, bipartisan cooperation and support behind this effort. Senator COATS and his staff deserve much credit for their hard work and contributions throughout the legislative process. In particular, Senator COATS has brought the issue of family violence to the fore and is a leader among us in developing thoughtful legislative responses in this area.

Today's act, however, is by no means definitive. Although we have succeeded in strengthening important programs, there remains the overriding need to better coordinate and organize the agencies and services that protect our families and children. The U.S. Advisory Board on Child Abuse and Neglect has addressed this fundamental issue thoughtfully and in detail. Our task will be to work with our colleagues in the House to craft companion legislation next year to improve the administration of these programs.

Mr. President, we do not pretend with this legislation to deal or necessarily suggest we are going to wipe out this problem. We do think the funds we are providing here will make a significant impact on trying to reduce the incidences of violence in children and to women in the domestic setting.

As I said at the very outset, this kind of violence, of course, often comes along with economic crisis as we see with higher unemployment rates and

significant deterioration of our economy. So obviously there is some interrelationship of getting the economy moving and also having an impact on some of these issues.

Mr. President, I thank my colleague for support of this. I look forward to working with our colleagues in the House to craft companion legislation next year to improve the administration of these programs where some concern has been raised over those particular points.

I reserve the remainder of my time.

Mr. COATS. Mr. President, I am pleased to join Senator DODD and to be a co-author of S. 838, the Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991. This bill endeavors to address a very serious and unfortunately growing problem of abuse and neglect of our most vulnerable citizens, children and women.

In my own State of Indiana, a record number of children are dying of abuse and neglect. During the first 6 months of last year 54 children died of causes related to child abuse. This represents the highest number of deaths contributed to child abuse in Indiana in at least a decade, nearly double those that occurred in 1989.

The experts in Indiana believe, as do I that part of the reason for these growing statistics is a lack of preventative care. Low pay and high caseloads have in many instances made it impossible for child protective workers to do their jobs effectively. Caseloads in many instances are now two or three times above a manageable level.

These are very serious problems that Congress can and should address. S. 838 addresses this problem by significantly expanding funding for State child protective services. But this problem is more than a matter of budgets, turnover rates, and programs. Child abuse is not ultimately caused by a failure of Government, but by a failure and lack of strong supportive families. And this is infinitely more disturbing. Amid all these figures we see one dreadful fact. In some way we have dulled our capacity for nurture. And it is the helpless innocent who suffer.

There is no comfort when the family becomes a hostile place. Wounds suffered this early seldom heal. But wounds suffered later in life are also painful. Unfortunately, we have been slower to address the latter. I am speaking of the issue of spouse abuse. I thank Senator DODD for working with me to include several provisions from legislation I first introduced last year on the issue of family violence. I have taken a very personal interest in family violence, in part in response to a series of unfortunate situations in Indiana which received nationwide attention. Last year, the committee may recall, I chaired a hearing on this issue and also sponsored a series of conferences in Indiana on the subject. The information I gleamed from the experts was invaluable—and resulted in the legislation introduced last year and reintroduced again this year.

S. 838 is the product of close to a year's work and attempts to address some very difficult and troubling areas. This is a very important piece of legislation, and while it certainly is not the perfect answer, it represents, in my opinion, our best effort at addressing this difficult area.

I thank Senator DODD for his work with me and our staff in crafting what I think is the most appropriate response to a very difficult problem.

Mr. DODD. Mr. President, I did not pay enough deference to my colleague from Indiana. He has been terrific on this issue and has made very valuable suggestions to the legislation. And his staff has been tremendously supportive.

I also want to thank Rich Tarplin and Courtney Pastorfield of my staff for their help in this. And, of course, the chairman of the committee, Senator KENNEDY, whose staff was tremendously helpful in making it possible for us to move this legislation forward.

Lastly, President, I agree with the comments of my colleague from Indiana. We could not obviously design nor have we designed here the perfect piece of legislation. There is, however, no doubt in my mind that there is a correlation between economic hard times and alcoholism, drug abuse, and family violence These things seem to track each other. While we try to make an effort here, the ultimate answer I suppose is to make it possible to reduce some of those offenses that occur in domestic settings where this kind of violence seems to erupt. Too often we see it erupt when people are out of work or having difficult times making ends meet. So there is a correlation. We hope to be able to address this problem and simultaneously address the issues affecting the economy of this country.

On that note, Mr. President, I do not have any requests for time on this particular matter and, if my colleague from Indiana does not, I would ask for the yeas and nays on this legislation.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Connecticut has 1 minute and 17 seconds remaining.

Mr. DODD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his time?

Mr. COATS. Mr. President, I do not have any other requests for time. I know a number of Senators wanted to express their thoughts on this and will submit statements for the RECORD, but I will yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to Amendment No. 1309 offered by the Senator from Connecticut, [Mr. DODD].

The amendment (No. 1309) was agreed to.

The PRESIDING OFFICER. The question now occurs on agree to the committee substitute, as amended.

The committee substitute, as amended, was agreed to.

Mr. REID. Mr. President, I rise today to offer my sincere thanks to Senator DODD for his successful work in bringing the reauthorization of S. 838, the Child Abuse Prevention and Treatment Act, to the Senate floor.

There are many, many important provisions in this bill. The goal they seek to reach is commendable, desperately needed, and sometimes overwhelming. That goal, however, is simple, it is one of keeping our children, and mothers, safe; safe at the hands of their male companions.

Earlier this year I became involved with the battered women's community. What I have seen, and what I have heard, have taught me some new things indeed.

Every 18 seconds a woman in the United States is battered. This adds up to 200 women battered every hour, or almost 5,000 battered every day. When you hear the stories I've heard, and look at the statistics I've seen, you're forced to conclude that nobody is safe from domestic violence.

I learned that there is only one Federal law on the books concerning domestic violence. That law created a program at the Department of Health and Human Services which funds shelters and hotlines for battered women. But, in terms of the program's funding, it receives only peanuts. Sure, the program was made law by the Congress and President, but no one thought it was important enough to fully fund, or even halfway fund.

So, this year, I worked to make sure the Appropriations Committee increased its funding. Three out of four women who seek safety in a shelter for battered women are turned away. Now, with funding nearly doubled, maybe only one out of two women will be turned away, but that is still too many. No woman should have to be a prisoner in her own home.

The American public desperately needs education about domestic violence. They need to stop turning their backs on this ugly issue, to take a stand, to do something about it. In order to improve the education of Americans about this issue, I introduced the Domestic Violence Act, S. 803, which passed today with Senator DODD's 838. This bill will provide Federal funds for State coalitions on domestic violence to provide indirect services such as public education campaigns, and special training of law enforcement officers and judges. Because

of the work of Senator DODD, the American public will start learning about this tragedy which tears at the fabric of our families. People will learn what they can do to stop it and prevent it.

I would like to thank all 96 of my colleagues who supported this legislation. America's women and children will be better off because of your work.

Mr. HATCH. Mr. President, the U.S. Advisory Board on Child Abuse and Neglect stated in their first report, "Not only are child abuse and neglect wrong, but our Nation's lack of an effective response to them is also wrong. Neither can be tolerated. Together they constitute a moral disaster."

The problem of child abuse continues to outrage all of us. In 1990, an estimated 2,508,000 children were reported as victims of child abuse or neglect, a 31-percent increase in reports from 1985 to 1990.

Child abuse and neglect clearly result from the disruptions of our family, neighborhood, and community structures. Poverty, parental substance abuse, poor parenting skills, and unemployment are some of the leading contributing factors.

Over the past 5 years there has been an increase in the number of children requiring protective services. In 1990, 407,000 children were in foster care. Child welfare agencies struggle to protect children under a heavy caseload burden.

I support S. 838, the Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991, in its attempt to address these problems. This bill authorizes funds for State Grants Program to support and improve State child protective services systems. It assists States in supporting child abuse and neglect prevention activities through community-based prevention grants. It authorizes emergency child abuse prevention grants focusing on children affected by substance abuse within the family.

S. 838 makes changes in the Family Violence Prevention and Services Act to provide more comprehensive services to victims of family violence. The greatest threat of violent assault to women and children comes from intimates, not strangers. Studies indicate that in half of the cases in which women are being physically abused by a male partner, the children are being abused as well.

This bill also strengthens the Adoption Opportunities Act to help remove barriers to providing permanent placement for the thousands of children who remain in institutions or foster homes.

We need to continue to consider, debate, and implement, where appropriate, the recommendations of the U.S. Advisory Board on Child Abuse and Neglect. We need to continue to work together to eliminate the national disgrace of child abuse to pursue solutions that both protect children and strengthen families.

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

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

The PRESIDING OFFICER. The bill having read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mr. CRANSTON], the Senator from Iowa [Mr. HARKIN], and the Senator from Nebraska [Mr. KERREY] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. HATCH] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Utah [Mr. HATCH] would vote "yea."

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 247 Leg.]

YEAS—96

Adams	Ford	Mitchell
Akaka	Fowler	Moynihan
Baucus	Garn	Murkowski
Bentsen	Glenn	Nickles
Biden	Gore	Nunn
Bingaman	Gorton	Packwood
Bond	Graham	Pell
Boren	Gramm	Pressler
Bradley	Grassley	Pryor
Breaux	Hatfield	Reid
Brown	Heflin	Riegle
Bryan	Helms	Robb
Bumpers	Hollings	Rockefeller
Burdick	Inouye	Roth
Burns	Jeffords	Rudman
Byrd	Johnston	Sanford
Chafee	Kassebaum	Sarbanes
Coats	Kasten	Sasser
Cochran	Kennedy	Seymour
Cohen	Kerry	Shelby
Conrad	Kohl	Simon
Craig	Lautenberg	Simpson
D'Amato	Leahy	Smith
Danforth	Levin	Specter
Daschle	Lieberman	Stevens
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dodd	Mack	Wallop
Dole	McCain	Warner
Domenici	McConnell	Wellstone
Durenberger	Metzenbaum	Wirth
Exon	Mikulski	Wofford

NAYS—0

NOT VOTING—4

Cranston	Hatch
Harkin	Kerrey

So the bill (S. 838), as amended, was passed as follows:

S. 838

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 "Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991".

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

SEC. 101. REFERENCES.

Except as otherwise provided, whenever in this title 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 Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

(a) IN GENERAL.—The Act is amended by inserting after the table of contents the following new section:

"SEC. 2. FINDINGS.

"Congress finds that—

"(1) each year, hundreds of thousands of American children are victims of abuse and neglect with such numbers having increased dramatically over the past decade;

"(2) many of these children and their families fail to receive adequate protection or treatment;

"(3) the problem of child abuse and neglect requires a comprehensive approach that—

"(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

"(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

"(C) emphasizes the need for abuse and neglect prevention, investigation, and treatment at the neighborhood level;

"(D) ensures properly trained and supported staff with specialized knowledge, to carry out their child protection duties; and

"(E) is sensitive to ethnic and cultural diversity;

"(4) the failure to coordinate and comprehensively prevent and treat child abuse and neglect threatens the futures of tens of thousands of children and results in a cost to the Nation of billions of dollars in direct expenditures for health, social, and special educational services and ultimately in the loss of work productivity;

"(5) all elements of American society have a shared responsibility in responding to this national child and family emergency;

"(6) substantial reductions in the prevalence and incidence of child abuse and neglect and the alleviation of its consequences are matters of the highest national priority;

"(7) national policy should strengthen families to remedy the causes of child abuse and neglect, provide support for intensive services to prevent the unnecessary removal of children from families, and promote the reunification of families if removal has taken place;

"(8) the child protection system should be comprehensive, child-centered, family-focused, and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social re-integration in an environment that fosters the health, self-respect, and dignity of the child;

"(9) because of the limited resources available in low-income communities, Federal aid for the child protection system should be distributed with due regard to the relative financial need of the communities;

"(10) the Federal government should ensure that every community in the United States has the fiscal, human, and technical resources necessary to develop and implement a successful and comprehensive child protection strategy;

"(11) the Federal government should provide leadership and assist communities in their child protection efforts by—

"(A) promoting coordinated planning among all levels of government;

"(B) generating and sharing knowledge relevant to child protection, including the development of models for service delivery;

"(C) strengthening the capacity of States to assist communities;

"(D) allocating sufficient financial resources to assist States in implementing community plans;

"(E) helping communities to carry out their child protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

"(F) providing leadership to end the abuse and neglect of the nation's children and youth.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 1, the following new item:

"Sec. 2. Findings.".

SEC. 3. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

(a) IN GENERAL.—Section 102 (42 U.S.C. 5102) is amended by adding at the end thereof the following new subsection:

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for fiscal year 1992.".

Subtitle A—General State Program

SEC. 110. GRANT PROGRAM FOR CHILD ABUSE NEGLECT PREVENTION AND TREATMENT.

Section 107 (42 U.S.C. 5106a) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary, acting through the Center, shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake and screening of reports of abuse and neglect through the improvement of the receipt of information, decisionmaking, public awareness, and training of staff;

"(2)(A) investigating such reports through improving response time, decisionmaking, referral to services, and training of staff;

"(B) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(C) improving legal preparation and representation;

"(3) case management and delivery services provided to families through the improvement of response time in service provision, improving the training of staff, and increasing the numbers of families to be served;

"(4) enhancing the general child protective system by improving assessment tools, automation systems that support the program, information referral systems, and the overall training of staff to meet minimum competencies; or

"(5) developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs."; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall annually submit a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. The plan shall describe the current system capacity of the State in the relevant area or areas from which to assess programs with grant funds and specify the manner in which funds from the State's programs will be used to make improvements. The plan required under this subsection shall contain, with respect to each area in which the State intends to use funds from the grant, the following information with respect to the State:

"(1) INTAKE AND SCREENING.—

"(A) STAFFING.—The number of child protective service workers responsible for the intake and screening of reports of abuse and neglect relative to the number of reports filed in the previous year.

"(B) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in report-taking, screening, decision-making, and referral for investigation.

"(C) PUBLIC EDUCATION.—An assessment of the State or local agency's public education program with respect to—

"(i) what is child abuse and neglect;

"(ii) who is obligated to report and who may choose to report; and

"(iii) how to report.

"(2) INVESTIGATION OF REPORTS.—

"(A) RESPONSE TIME.—The number of reports of child abuse and neglect filed in the State in the previous year where appropriate, the agency response time to each with respect to initial investigation, the number of substantiated and unsubstantiated reports, and where appropriate, the response time with respect to the provision of services.

"(B) STAFFING.—The number of child protective service workers responsible for the investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(C) INTERAGENCY COORDINATION.—A description of the extent to which interagency coordination processes exist and are available Statewide, and whether protocols or formal policies governing interagency relationships exist in the following areas—

"(i) multidisciplinary investigation teams among child welfare and law enforcement agencies;

"(ii) interagency coordination for the prevention, intervention and treatment of child abuse and neglect among agencies responsible for child protective services, criminal justice, schools, health, mental health, and substance abuse; and

"(iii) special interagency child fatality review panels, including a listing of those agencies that are involved.

"(D) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as investigation, risk assessment, court preparation, and referral to and provision of services.

"(E) LEGAL REPRESENTATION.—A description of the State agency's current capacity for legal representation, including the manner in which workers are prepared and trained for court preparation and attendance, including procedures for appealing substantiated reports of abuse and neglect.

"(3) CASE MANAGEMENT AND DELIVERY OF ONGOING FAMILY SERVICES.—For children for whom a report of abuse and neglect has been substantiated and the children remain in their own homes and are not currently at risk of removal, the State shall assess the activities and the outcomes of the following services:

"(A) RESPONSE TIME.—The number of cases opened for services as a result of investigation of child abuse and neglect reports filed in the previous year, including the response time with respect to the provision of services from the time of initial report and initial investigation.

"(B) STAFFING.—The number of child protective service workers responsible for providing services to children and their families in their own homes as a result of investigation of reports of child abuse and neglect.

"(C) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as risk assessment, court preparation, provision of services and determination of case disposition, including how such training is evaluated for effectiveness.

"(D) INTERAGENCY COORDINATION.—The extent to which treatment services for the child and other family members are coordinated with child welfare, social service, mental health, education, and other agencies.

"(4) GENERAL SYSTEM ENHANCEMENT.—

"(A) AUTOMATION.—A description of the capacity of current automated systems for tracking reports of child abuse and neglect from intake through final disposition and how personnel are trained in the use of such system.

"(B) ASSESSMENT TOOLS.—A description of whether, how, and what risk assessment tools are used for screening reports of abuse and neglect, determining whether child abuse and neglect has occurred, and assessing the appropriate level of State agency protection and intervention, including the extent to which such tool is used statewide and how workers are trained in its use.

"(C) INFORMATION AND REFERRAL.—A description and assessment of the extent to which a State has in place—

"(i) information and referral systems, including their availability and ability to link families to various child welfare services such as homemakers, intensive family-based services, emergency caretakers, home health visitors, daycare and services outside the child welfare system such as housing, nutrition, health care, special education, income support, and emergency resource assistance; and

"(ii) efforts undertaken to disseminate to the public information concerning the problem of child abuse and neglect and the prevention and treatment programs and services available to combat instances of such abuse and neglect.

"(D) STAFF CAPACITY AND COMPETENCE.—An assessment of basic and specialized training needs of all staff and current training provided staff. Assessment of the competencies of staff with respect to minimum knowledge in areas such as child development, cultural and ethnic diversity, functions and relationship of other systems to child protective services and in specific skills such as interviewing, assessment, and decisionmaking relative to the child and family, and the need for training consistent with such minimum competencies.

"(5) INNOVATIVE APPROACHES.—A description of—

"(A) research and demonstration efforts for developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs, including the interagency efforts at the State level; and

"(B) the manner in which proposed research and development activities build on existing capacity in the programs being addressed.".

SEC. 111. GRANT PROGRAM FOR INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.

Section 109 (42 U.S.C. 5106c) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"SEC. 109. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.";

(2) in subsection (a), by striking out paragraphs (1) and (2), and inserting in lieu thereof the following new paragraphs:

"(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

"(2) the handling of cases of suspected child abuse or neglect related fatalities; and

"(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.";

(3) in subsection (b)—

(A) by striking out "and 107(e) or receive a waiver under section 107(c)" in paragraph (1);

(B) by striking out "and" at the end of paragraph (3);

(C) by inserting "annually" after "submit" in paragraph (4); and

(D) by striking out the period at the end thereof and inserting the following: "; and

"(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (4) of subsection (a).";

(4) in subsection (c)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting ", and maintain" after "designate"; and

(ii) by striking out "child abuse" and inserting in lieu thereof "child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities";

(B) by striking out "judicial and legal officers", in subparagraph (B) and inserting in lieu thereof "judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect";

(C) by inserting before the semicolon in subparagraph (C), the following: ", including both attorneys for children and, where such programs are in operation, court appointed special advocates";

(D) by striking out subparagraph (E); and

(E) by striking out "handicaps;" in subparagraph (F), and inserting in lieu thereof "disabilities; and"; and

"(G) by striking out subparagraph (G) and redesignating subparagraph (H) as subparagraph (G);

(5) in subsection (d)—

(A) by striking out "the State task force shall" in the matter preceding paragraph (1), and inserting in lieu thereof "and at three year intervals thereafter, the State task force shall comprehensively";

(B) by striking out "judicial" and all that follows in paragraph (1), and inserting in lieu thereof the following: "both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal;";

(C) by inserting "policy and training" before "recommendations" in paragraph (2); and

(6) in subsection (e)(1)—

(A) by striking out "child abuse" and all that follows through "child victim" in subparagraph (A), and inserting in lieu thereof the following: "child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family";

(B) by striking out "improve the rate" and all that follows through "abuse cases" in subparagraph (B), and inserting in lieu thereof the following: "improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children"; and

(C) in subparagraph (C)—

(i) by inserting ", protocols" after "regulations"; and

(ii) by inserting "and exploitation" after "sexual abuse".

Subtitle B—Community-Based Prevention Grants

SEC. 121. TITLE HEADING AND PURPOSE.

(a) TITLE HEADING.—The heading for title II (42 U.S.C. 5116 et seq.) is amended to read as follows:

"TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS".

(b) PURPOSE.—Section 201 (42 U.S.C. 5116) is amended—

(1) in the section heading to read as follows:

"SEC. 201. PURPOSES."; and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"It is the purpose of this title, through the provision of community-based child abuse and neglect prevention grants, to assist States in supporting child abuse and neglect prevention activities.".

SEC. 122. DEFINITIONS.

Section 202 (42 U.S.C. 5116a) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof; and

(2) in paragraph (2), by striking out the period and inserting in lieu thereof "; and".

SEC. 123. STATE ELIGIBILITY.

Section 204 (42 U.S.C. 5116c) is amended—

(1) by striking out "or other funding mechanism"; and

(2) by striking out "which is available only for child" and all that follows through the end thereof, and inserting "which includes (in whole or in part) legislative provisions making funding available only for the broad range of child abuse and neglect prevention activities.".

SEC. 124. LIMITATIONS.

Section 205 (42 U.S.C. 5116d) is amended—

(1) by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph:

"(1) ALLOTMENT FORMULA.—

"(A) IN GENERAL.—Amounts appropriated to provide grants under this title shall be allotted among eligible States in each fiscal year so that—

"(i) 50 percent of the total amount appropriated is allotted among each State based on the number of children under the age of 18 in each such State, except that each State shall receive not less than $30,000; and

"(ii) the remaining 50 percent of the total amount appropriated is allotted in an amount equal to 25 percent of the total amount collected by each such State, in the fiscal year prior to the fiscal year for which the allotment is being determined, for the children's trust fund of the State for child abuse and neglect prevention activities.

"(B) USE OF AMOUNTS.—Not less than 50 percent of the amount of a grant made to a State under this title in each fiscal year shall be utilized to support community-based prevention programs as authorized in section 204(a), except that this subparagraph shall not become applicable until amounts appropriated under section 203(b) exceed $10,000,000."; and

(2) in subsection (b)(1)—

(A) by striking out "trust fund advisory board" and all that follows through "section 101" in subparagraph (A) and inserting in lieu thereof "advisory board established under section 102";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (F) and (G), respectively; and

(C) by inserting after subparagraph (A), the following new subparagraphs:

"(B) demonstrate coordination with other child abuse and neglect prevention activities and agencies at the State and local levels;

"(C) demonstrate the outcome of services and activities funded under this title;

"(D) provide evidence that Federal assistance received under this title has been supplemented with non-Federal public and private assistance (including in-kind contributions) at the local level (Federal assistance expended in support of activities authorized under paragraphs (1), (2), and (3) of section 204 shall be supplemented by State assistance);

"(E) demonstrate the extent to which funds received under this title are used to support community prevention activities in underserved areas, in which case the supplemental support required under subparagraph (D) shall be waived for the first 3 years in which assistance is provided to a grantee described in this subparagraph;".

Subtitle C—Certain Preventive Services Regarding Children of Homeless Families or Families at Risk of Homelessness

SEC. 131. CERTAIN PREVENTIVE SERVICES REGARDING CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 302(b) (42 U.S.C. 5118a(b)) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) by redesignating paragraph (4) as paragraph (6); and

(3) by inserting after paragraph (3), the following new paragraphs:

"(4) the provision of emergency housing-related assistance necessary to prevent the placement of children in out-of-home care, to facilitate the reunification of children with their families, and to enable the discharge of youths not less than 16 years of age from such area, including assistance in meeting the costs of—

"(A) rent or utility arrears to prevent an eviction or termination of utility services;

"(B) security and utility deposits, first month's rent, and basic furnishings; and

"(C) other housing-related assistance;

"(5) the provision to families, and to youths not less than 16 years of age who are preparing to be discharged from such care, of temporary rent subsidies necessary to prevent the initial or prolonged placement of children in out-of-home care, which subsidies

are provided in an amount not exceeding 70 percent of the local fair market rental value and are provided for a period not to exceed 180 days; and".

Subtitle D—Child Abuse Treatment Improvements Grants

SEC. 141. ESTABLISHMENT OF PROGRAM.

The Act is amended by adding at the end thereof the following new title:

"TITLE IV—MISCELLANEOUS PROGRAMS

"SEC. 401. CHILD ABUSE TREATMENT IMPROVEMENTS GRANT PROGRAM.

"(a) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this section as the 'Secretary'), acting through the Administration for Children, Youth and Families, may award grants to eligible entities to improve the treatment of children exposed to abuse or neglect and the families of such children, particularly when such children have been placed in out-of-home care.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall—

"(1) be a State or local public or nonprofit private entity;

"(2) be responsible for administering or providing child welfare services (including out-of-home services); and

"(3) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require including the information required under subsection (c).

"(c) CONTENTS OF APPLICATION.—An application submitted by an entity under subsection (b)(4) shall contain—

"(1) a description of the proposed program to be established, implemented or improved using amounts received under a grant, including the specific activities to be undertaken, the agencies that will be involved, the process that has been established for evaluating such activities, and the nature of any innovations proposed;

"(2) evidence of the need that the activity or program, to be conducted using amounts received under the grant, will address;

"(3) assurances that amounts received under the grant will be used to supplement, not supplant, existing funds provided by the State for child welfare purposes;

"(4) assurances that the applicant entity will provide not less than 20 percent of the total amounts needed to pay the costs associated with the program funded under such grant;

"(5) assurances that the applicant entity will provide information to the Secretary concerning the progress and outcome of the program to be funded under such grant;

"(6) a description of the procedures to be used to disseminate the findings derived from the program to be funded under such grant within the State;

"(7) a description of the extent to which multiple agencies will be involved in the design, development, operation, and staffing of the program to be funded under such grant; and

"(8) and other information determined appropriate by the Secretary.

"(d) USE OF FUNDS.—An entity may use amounts provided under a grant awarded under this section to—

"(1)(A) develop models of out-of-home care that are designed to promote the reunification of children with their families, including training and support components for foster parents to enable such parents to assist the birthparents with reunification efforts, except that such efforts must be determined to be in the best interest of the child;

"(B) develop comprehensive service approaches for child out-of-home care and for the families of such children, specifically focused on reunification; and

"(C) establish activities that are designed to promote visitation of parents and children, such as the establishment of neutral settings for structured visits between biological parents and children in care;

"(2) develop activities that are designed to support relatives caring for children who have been abused or neglected or children from families where substance abuse is present;

"(3) enhance the reimbursement and other support provided to foster parents, including relatives, to promote better recruitment and retention of foster parents;

"(4) develop activities and programs designed to—

"(A) promote the healthy physical, social, emotional, and educational development of children in out-of-home care and under child abuse preventive services supervision, including—

"(i) the conduct of comprehensive, multidisciplinary assessments of the physical, social, emotional, and educational development of such children, with particular attention given to the needs and strengths of the families of such children; and

"(ii) the development of services to meet such needs which involve multiple service agencies and alternative support systems within the community;

"(B) provide training for foster parents to address the physical, social, emotional, and educational needs of the children in their care; or

"(C) provide special programs to assist children with academic or developmental problems;

"(5) develop and implement programs that provide mentors, who are adults from the community or who are former foster youths, to youths in out-of-home care, in order to address their special needs, increase self esteem, and provide role models;

"(6) provide incentives that may be necessary to establish and recruit foster family homes for special populations, including children who are medically fragile or have other special physical, mental, and emotional disabilities, adolescent mothers and their children who are in care, and children who have been sexually abused;

"(7) hire staff with specialized knowledge in the areas of substance abuse, child development, education, health care, and adolescents, to provide support and act as a resource for caseworkers working with children and families with special needs in these areas; and

"(8) conduct other activities as the Secretary determines appropriate.

"(e) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section the Secretary shall consider—

"(1) the geographic dispersion of the applicants for such grants;

"(2) the likelihood that the proposed service approach of the applicant would be transferable to other sites; and

"(3) the need for variety in the problems to be addressed by the applicants and in the models used to address similar problems.

"(f) ADMINISTRATION.—In administering the grant program established under this section the Administration for Children, Youth and Families shall—

"(1) require grantees to submit annual reports concerning the projects funded under such grants and a final report assessing the outcome of such projects;

"(2) arrange for the dissemination of project results through such means as the child welfare resource centers and the National Clearinghouse on Child Abuse and Neglect; and

"(3) provide for the evaluation of projects funded under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $30,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.".

SEC. 142. TECHNICAL AMENDMENT.

The Act is amended in the table of contents in section 1(b) by adding at the end thereof the following new items:

"TITLE IV—MISCELLANEOUS PROGRAMS
"Sec. 401. Child abuse treatment improvements grant program.".

Subtitle E—Reauthorization of Certain Programs

SEC. 151. EMERGENCY GRANT PROGRAM.

Section 107A(e) (42 U.S.C. 5106a-1(e)) is amended by striking out "and such sums" and all that follows through the end thereof and inserting "such sums as may be necessary for fiscal year 1991, $40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 152. GENERAL GRANT PROGRAMS.

Subsection (a) of section 114 (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title, except for section 107A, $150,000,000 for fiscal year 1992, and such sums as may be necessary for each of this fiscal years 1993 and 1994. Of amounts appropriated under this section in any fiscal year—

"(1) 33⅓ percent of such amounts shall be made available in each such fiscal year for activities under sections 104, 105 and 106; and

"(2) 66⅔ percent of such amounts shall be made available in each such fiscal year for activities under sections 107 and 108.

A State may spend the entire amount provided to such State under this title in a fiscal year for the purposes described in subsection (a)(5) of section 107, except that subsequent to the date on which the amount appropriated and available under paragraph (2) exceeds $40,000,000, such State shall not spend in excess of 15 percent of such amounts for the purposes described in subsection (a)(5) of section 107.".

SEC. 153. COMMUNITY-BASED PREVENTION GRANTS.

Section 203 (42 U.S.C. 5116b) is amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) as subsection (b); and

(3) in subsection (b) (as so redesignated), by striking out "such sums" and all that follows through the period and inserting in lieu thereof "$50,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 154. PREVENTIVE SERVICES FOR CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 306(a) (42 U.S.C. 5118e(a)) is amended by inserting ", and such sums as may be necessary in each of the fiscal years 1993 and 1994" before the period.

Subtitle F—Miscellaneous Provisions

SEC. 161. REPORT CONCERNING VOLUNTARY REPORTING SYSTEM.

Not later than April 30, 1992, and annually thereafter, the Secretary of Health and Human Services, acting through the Director

of the National Center on Child Abuse and Neglect, shall prepare and submit to the appropriate committees of Congress a report concerning the measures being taken to assist States in implementing a voluntary reporting system for child abuse and neglect. Such reports shall contain information concerning the extent to which the child abuse and neglect reporting systems developed by the States are coordinated with the automated foster care and adoption reporting system required under section 479 of the Social Security Act.

TITLE II—CHILDREN WITH DISABILITIES TEMPORARY CARE

SEC. 201. SHORT TITLE.

This title may be cited as the "Children With Disabilities Temporary Care Reauthorization Act of 1991".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206 of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended in the first sentence, by inserting before the period the following: ", and $20,000,000 for each of the fiscal years 1992 through 1994".

SEC. 203. TECHNICAL AMENDMENT.

Section 205(a)(1)(A)(vi) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117c(a)(1)(A)(vi)) is amended by striking out "(vi)" and inserting in lieu thereof "(v)".

SEC. 204. EFFECTIVE DATE.

The amendments made by this title shall take effect October 1, 1991, or on the date of the enactment of this Act, whichever occurs later.

TITLE III—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO FAMILY VIOLENCE

SEC. 301. REFERENCES.

Except as otherwise provided, whenever in this title 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 Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. EXPANSION OF PURPOSE.

Section 302 (42 U.S.C. 10401) is amended—

(1) in paragraph (1)—

(A) by striking out "demonstration the effectiveness of assisting" and inserting in lieu thereof "assist"; and

(B) by striking out "to prevent" and inserting in lieu thereof "to increase public awareness about and prevent"; and

(2) in paragraph (2), by inserting ", courts, legal, social service, and health care professionals" after "(including law enforcement agencies".

SEC. 303. EXPANSION OF STATE GRANT PROGRAM.

Section 303(a) (42 U.S.C. 10402(a)) is amended—

(1) in paragraph (1), by striking out "demonstration grants" and inserting in lieu thereof "grants"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" in the matter preceding subparagraph (A), and inserting in lieu thereof "grant";

(B) by striking out "demonstration grant" in subparagraph (A), and inserting in lieu thereof "grant"; and

(C) by striking out "particularly those projects" in subparagraph (B)(ii) and all that follows through the end thereof, and inserting in lieu thereof the following: "the primary purpose of which is to operate shelters for victims of family violence and their dependents, and those which provide counseling, advocacy, and self-help services to victims and their children.".

SEC. 304. INVOLVEMENT IN PLANNING.

Section 303(a)(2)(C) (42 U.S.C. 10402(a)(2)(C)) is amended by inserting "State domestic violence coalitions" after "involve".

SEC. 305. CONFIDENTIALITY ASSURANCES.

Section 303(a)(2)(E) (42 U.S.C. 10402(a)(2)(E)) is amended by striking out "assurances that procedures will be developed" and inserting in lieu thereof "documentation that procedures have been developed, and implemented including copies of the policies and procedure,".

SEC. 306. PROCEDURE FOR EVICTING VIOLENT SPOUSES.

Section 303(a)(2)(F) (42 U.S.C. 10402(a)(2)(F)) is amended to read as follows:

"(F) provide documentation to the Secretary that the State has a law or procedure that has been implemented for the eviction of an abusing spouse from a share household;".

SEC. 307. PENALTIES FOR NONCOMPLIANCE.

Section 303(a)(3) (42 U.S.C. 10402(c)) is amended—

(1) by inserting "a 6-month period providing an" before "opportunity"; and

(2) by adding at the end thereof the following new sentences: "The Secretary shall provide such notice within 45 days of the date of the application if any of the provisions of subsection (a)(2) have not been satisfied in such application. If the State has not corrected the deficiencies in such application within the 6-month period following the receipt of the Secretary's notice of intention to disapprove, the Secretary shall withhold payment of any grant funds to such State until the date that is 30 days prior the end of the fiscal year for which such grant funds are appropriated or until such time as the State provides documentation that the deficiencies have been corrected, whichever occurs first. State Domestic Violence Coalitions shall be permitted to challenge a determination as to whether a grantee is in compliance with, or to seek the enforcement of, the eligibility requirements of subsection (a)(2), except that no funds made available to State Domestic Violation Coalitions under section 311 shall be used to challenge a determination as to whether a grantee is in compliance with, or to seek the enforcement of, the eligibility requirements of subsection (a)(2).".

SEC. 308. GRANTS TO INDIAN TRIBES.

Section 303(b) (42 U.S.C. 10402(b)) is amended—

(1) in paragraph (1)—

(A) by striking out "is authorized to make demonstration grants" and inserting in lieu thereof ", from amounts appropriated to carry out this section, shall make available not less than 10 percent of such amounts to make grants";

(B) by striking out "and tribal" and inserting in lieu thereof ", tribal"; and

(C) by inserting "and nonprofit private organizations approved by an Indian Tribe for the operation of a family violence shelter on a Reservation", after "tribal organizations"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by striking out "and (E)" and inserting in lieu thereof "(E) and (F)"; and

(C) by adding at the end thereof the following new sentence: "No entity eligible to submit and application under paragraph (1) shall be prohibited from making an application during any fiscal year for which funds are available because such entity has not previously applied or received funding under this section.".

SEC. 309. MAXIMUM CEILING.

Subsection (c) of section 303 (42 U.S.C. 10402(c)) is repealed, and subsections (d) through (g) are redesignated as subsections (c) through (f), respectively.

SEC. 310. GRANTS TO ENTITIES OTHER THAN STATES; LOCAL SHARE.

The section 303(e) (42 U.S.C. 10402(f)) (as so redesignated by section 309) is amended—

(1) in the first sentence—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by inserting "or an Indian Tribe" after "State";

(C) by striking out "35 percent" and inserting in lieu thereof "20 percent";

(D) by striking out "55 percent" and inserting in lieu thereof "35 percent";

(E) by striking out "65 percent in the third such year" and inserting in lieu thereof "and, for any year thereafter"; and

(2) in the second sentence, by striking out "50 percent" and inserting in lieu thereof "25 percent".

SEC. 311. SHELTER AND RELATED ASSISTANCE.

(a) SHELTER.—Section 303(f) (42 U.S.C. 10402(g)) (as so redesignated by section 309) is amended—

(1) by striking out "60 percent" and inserting in lieu thereof "70 percent"; and

(2) by inserting before the period the following "as defined in section 309(4). Not less than 15 percent of the funds distributed under subsection (a) or (b) shall be distributed for the purpose of providing related assistance as defined under section 309(5)(A), and not more than 10 percent for the purpose of providing family violence prevention services as defined under section 309(5)(B)".

(b) DEFINITION.—Paragraph (5) of section 309 (42 U.S.C. 10408(5)) is amended to read as follows:

"(5) The term 'related assistance' means the provision of direct assistance to victims of family violence and their dependents for the purpose of preventing further violence, helping such victims to gain access to civil and criminal courts and other community services, facilitating the efforts of such victims to make decisions concerning their lives in the interest of safety, and assisting such victims in healing from the effects of the violence. Related assistance—

"(A) shall include—

"(i) counseling with respect to family violence, counseling by peers individually or in groups, and referral to community social services;

"(ii) transportation, technical assistance with respect to obtaining financial assistance under Federal and State programs, and referrals for appropriate health-care services (including alcohol and drug abuse treatment), but shall not include reimbursement for any health-care services;

"(iii) legal advocacy to provide victims with information and assistance through the civil and criminal courts, and legal assistance; or

"(iv) children's counseling and support services, and child care services for children who are victims of family violence or the dependents of such victims; and

"(B) may include prevention services such as outreach and prevention services for victims and their children, employment training, parenting and other educational services for victims and their children, preventive health services within domestic violence programs (including nutrition, disease preven-

tion, exercise, and prevention of substance abuse), domestic violence prevention programs for school age children, family violence public awareness campaigns, and violence prevention counseling services to abusers.".

SEC. 312. ALLOTMENT OF FUNDS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended—

(1) by striking out "whichever is the greater of the following amounts: one-half of"; and

(2) by striking out "$50,000" and inserting in lieu thereof "$200,000, whichever is the lessor amount".

SEC. 313. SECRETARIAL RESPONSIBILITIES.

Section 305(b)(2)(A) (42 U.S.C. 10404(b)(2)(A)) is amended—

(1) by striking out "into the causes of family violence";

(2) by inserting "most effective" before "prevention";

(3) by striking out "and (ii)" and inserting in lieu thereof "(ii)"; and

(4) by inserting before "and (B)" the following: "(iii) the effectiveness of providing safety and support to maternal and child victims of family violence as a way to eliminate the abuse experienced by children in such situations, (iv) identification of intervention approaches to child abuse prevention services which appear to be successful in preventing child abuse where both mother and child are abused, (v) effective and appropriate treatment services for children where both mother and child are abused, and (vi) the individual and situational factors leading to the end of violent and abusive behavior by persons who commit acts of family violence, including such factors as history of previous violence and the legal and service interventions received,".

SEC. 314. EVALUATION AND REPORT TO CONGRESS.

Section 306 (42 U.S.C. 10405) is amended—

(1) by inserting "and every two years thereafter," after "the first time after the date of the enactment of this title,";

(2) by striking out "assurances" and inserting in lieu thereof "documentation"; and

(3) by striking out "303(a)(2)(F)" and inserting in lieu "303(a)(2)(B) through 303(a)(2)(F)".

SEC. 315. FUNDING FOR TECHNICAL ASSISTANCE CENTERS.

Section 308 (42 U.S.C. 10407) is amended to read as follows:

"SEC. 308. INFORMATION AND TECHNICAL ASSISTANCE CENTERS.

"(a) PURPOSE AND GRANTS.—

"(1) PURPOSE.—It is the purpose of this section to provide resource information, training, and technical assistance to Federal, State, and Indian tribal agencies, as well as to local domestic violence programs and to other professionals who provide services to victims of domestic violence.

"(2) GRANTS.—From the amounts appropriated under this title, the Secretary shall award grants to private nonprofit organizations for the establishment and maintenance of one national resource center (as provided for in subsection (b)) and not to exceed six special issue resource centers (as provided for in subsection (c)) focusing on one or more issues of concern to domestic violence victims.

"(b) NATIONAL RESOURCE CENTER.—The national resource center established under subsection (a)(2) shall offer resource, policy and training assistance to Federal, State, and local government agencies, to domestic violence service providers, and to other professionals and interested parties on issues pertaining to domestic violence, and shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics and analyses thereof relating to the incidence and prevention of family violence (particularly the prevention of repeated incidents of violence) and the provision of immediate shelter and related assistance.

"(c) SPECIAL ISSUE RESOURCE CENTERS.—The special issue resource centers established under subsection (a)(2) shall provide information, training and technical assistance to State and local domestic violence service providers, and shall specialize in at least one of the following areas of domestic violence service, prevention, or law:

"(1) Criminal justice response to domestic violence, including court-mandated abuser treatment.

"(2) Improving the response of Child Protective Service agencies to battered mothers of abused children.

"(3) Child custody issues in domestic violence cases.

"(4) The use of the self-defense plea by domestic violence victims.

"(5) Improving interdisciplinary health care responses and access to health care resources for victims of domestic violence.

"(6) Improving access to and the quality of legal representation for victims of domestic violence in civil litigation.

"(d) ELIGIBILITY.—To be eligible to receive a grant under this section an entity shall be a private nonprofit organizations that—

"(1) focuses primarily on domestic violence;

"(2) provides documentation to the Secretary demonstrating experience working directly on issues of domestic violence, particularly in the specific subject area for which it is applying;

"(3) include on its advisory boards representatives from domestic violence programs in the region who are geographically and culturally diverse; and

"(4) demonstrate the strong support of domestic violence advocates from across the country and the region for their designation as the national or a special issue resource center.

"(e) REPORTING.—Not later than 6 months after receiving a grant under this section, a grantee shall prepare and submit a report to the Secretary that evaluates the effectiveness of the use of amounts received under such grant by such grantee and containing such additional information as the Secretary may prescribe.

"(f) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations.

"(g) FUNDING.—From the amounts appropriated under section 310, not in excess of 5 percent of such amount for each fiscal year shall be used for the purpose of making grants under this section.".

SEC. 316. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended to read as follows:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of sections 303 through 309 and section 313, $85,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(b) SECTION 303(a) AND (b).—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 80 percent shall be used for making grants under subsection 303(a), and not less than 10 percent shall be used for the purpose of carrying out section 303(b).

"(c) SECTION 308.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 5 percent shall be used by the Secretary for making grants under section 308.".

SEC. 317. LAW ENFORCEMENT TRAINING AND TECHNICAL ASSISTANCE GRANTS AND CONTRACTS AND GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

Section 311 (42 U.S.C. 10410) is amended to read as follows:

"SEC. 311. GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

"(a) IN GENERAL.—The Secretary shall award grants for the funding of State domestic violence coalitions. Such coalitions shall further the purposes of domestic violence intervention and prevention through activities, including—

"(1) working with judicial and law enforcement agencies to encourage appropriate responses to domestic violence cases and examine issues including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation when domestic violence is involved;

"(C) the use of mandatory arrests of accused offenders;

"(D) the discouragement of dual arrests;

"(E) the adoption of aggressive and vertical prosecution policies and procedures;

"(F) the use of mandatory requirements for presentence investigations;

"(G) the length of time taken to prosecute cases or reach plea agreements;

"(H) the use of plea agreements;

"(I) the consistency of sentencing, including comparisons of domestic violence crimes with other violent crimes;

"(K) the restitution of victims;

"(L) the use of training and technical assistance to law enforcement and court officials and other professionals;

"(M) the reporting practices of, and significance to be accorded to, prior convictions (both felony and misdemeanor) and protection orders;

"(N) the use of interstate extradition in cases of domestic violence crimes;

"(O) the use of statewide and regional planning; and

"(P) any other matters as the Secretary and the State domestic violence coalitions believe merit investigations;

"(2) work with family law judges, Child Protective Services agencies, and children's advocates to develop appropriate responses to child custody and visitation issues in domestic violence cases as well as cases where domestic violence and child abuse are both present, including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation where domestic violence is involved;

"(C) the inappropriate use of marital or conjoint counseling in domestic violence cases;

"(D) the use of training and technical assistance for family law judges and court personnel;

"(E) the presumption of custody to domestic violence victims;

"(F) the use of comprehensive protection orders to grant fullest protections possible to victims of domestic violence, including temporary support and maintenance;

"(G) the development by Child Protective Service of supportive responses that enable victims to protect their children;

"(H) the implementation of supervised visitations that do not endanger victims and their children; and

"(I) the possibility of permitting domestic violence victims to remove children from the State when the safety of the children or the victim is at risk;

"(3) conduct public education campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence; and

"(4) participate in planning and monitoring of the distribution of grants and grant funds to their State under section 303(a).

"(b) ELIGIBILITY.—To be eligible for a grant under this section an entity shall be a statewide nonprofit State domestic violence coalition whose—

"(1) membership includes representatives from a majority of the programs for victims of domestic violence in the State;

"(2) board membership is representative of such programs; and

"(3) purpose is to provide services, community education, and technical assistance to such programs to establish and maintain shelter and related services for victims of domestic violence and their children.

"(c) ALLOTMENT OF FUNDS.—From amounts appropriated under this section for each fiscal year, the Secretary shall allot to each State, the District of Columbia, the Commonwealth of Puerto Rico, and the combined U.S. Territories an amount equal to 1/33 of the amount appropriated for such fiscal year. For purposes of this section, the term 'combined U.S. Territories' means Guam, American Samoa, the U.S. Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and shall not receive less than 1.5 percent of the funds appropriated for each fiscal year.

"(d) PROHIBITION ON LOBBYING.—No funds made available to entities under this section shall be used, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State or local agency, or to undertake to influence the passage or defeat of any legislation by Congress, or by any State or local legislative body, or State proposals by initiative petition, except that the representatives of the entity may testify or make other appropriate communication—

"(1) when formally requested to do so by a legislative body, a committee, or a member thereof; or

"(2) in connection with legislation or appropriations directly affecting the activities of the entity.

"(e) REPORTING.—Each State domestic violence coalition receiving amounts under this section shall submit a report to the Secretary describing the coordination, training and technical assistance and public education services performed with such amounts and evaluating the effectiveness of those services.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each fiscal year to be used to award grants under this section.

"(g) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing this section.".

SEC. 318. REGULATIONS.

Section 312(a) (42 U.S.C. 10409(a)) is amended by adding at the end thereof the following new sentence:

"Not later than 90 days after the date of enactment of this sentence, the Secretary shall publish proposed regulations implementing sections 303, 308, and 314. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing such sections.".

SEC. 319. FAMILY MEMBER ABUSE INFORMATION AND DOCUMENTATION.

Section 313(1) (42 U.S.C. 10409(1)) is amended by striking out "characteristics relating to family violence" and inserting in lieu thereof "develop data on the number of victims of family violence and their dependents who are homeless or institutionalized as a result of the violence and abuse they have experienced".

SEC. 320. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

The Act is amended by adding at the end thereof the following new section:

"SEC. 314. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

"(a) IN GENERAL.—The Secretary may make grants to public or private nonprofit entities to provide public information campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence.

"(b) APPLICATION.—No grant, contract, or cooperative agreement shall be made or entered into under this section unless an application that meets the requirements of subsection (c) has been approved by the Secretary.

"(c) REQUIREMENTS.—An application submitted under subsection (b) shall—

"(1) provide such agreements, assurances, and information, be in such form and be submitted in such manner as the Secretary shall prescribe through notice in the Federal Register, including a description of how the proposed public information campaign will target the population at risk, including pregnant women;

"(2) include a complete description of the plan of the application for the development of a public information campaign;

"(3) identify the specific audiences that will be educated, including communities and groups with the highest prevalence of domestic violence;

"(4) identify the media to be used in the campaign and the geographic distribution of the campaign;

"(5) describe plans to test market a development plan with a relevant population group and in a relevant geographic area and give assurance that effectiveness criteria will be implemented prior to the completion of the final plan that will include an evaluation component to measure the overall effectiveness of the campaign;

"(6) describe the kind, amount, distribution, and timing of informational messages and such other information as the Secretary may require, with assurances that media organizations and other groups with which such messages are placed will not lower the current frequency of public service announcements; and

"(7) contain such other information as the Secretary may require.

"(d) USE.—A grant, contract, or agreement made or entered into under this section shall be used for the development of a public information campaign that may include public service announcements, paid educational messages for print media, public transit advertising, electronic broadcast media, and any other mode of conveying information that the Secretary determines to be appropriate.

"(e) CRITERIA.—The criteria for awarding grants shall ensure that an applicant—

"(1) will conduct activities that educate communities and groups at greatest risk;

"(2) has a record of high quality campaigns of a comparable type; and

"(3) has a record of high quality campaigns that educate the population groups identified as most at risk.".

SEC. 321. MODEL STATE LEADERSHIP INCENTIVE GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

The Act (as amended by section 320) is further amended by adding at the end thereof the following new section:

"SEC. 315. MODEL STATE LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

"(a) IN GENERAL.—The Secretary, in cooperation with the Attorney General, shall award grants to not less than 10 States to assist such States in becoming model demonstration States and in meeting the costs of improving State leadership concerning activities that will—

"(1) increase the number of prosecutions for domestic violence crimes;

"(2) encourage the reporting of incidences of domestic violence; and

"(3) facilitate 'arrests and aggressive' prosecution policies.

"(b) DESIGNATION AS MODEL STATE.—To be designated as a model State under subsection (a), a State shall have in effect—

"(1) a law that requires mandatory arrest of a person that police have probable cause to believe has committed an act of domestic violence or probable cause to believe has violated an outstanding civil protection order;

"(2) a law or policy that discourages 'dual' arrests;

"(3) statewide prosecution policies that—

"(A) authorize and encourage prosecutors to pursue cases where a criminal case can be proved, including proceeding without the active involvement of the victim if necessary; and

"(B) implement model projects that include either—

"(i) a 'no-drop' prosecution policy; or

"(ii) a vertical prosecution policy; and

"(C) limit diversion to extraordinary cases, and then only after an admission before a judicial officer has been entered;

"(4) statewide guidelines for judges that—

"(A) reduce the automatic issuance of mutual restraining or protective orders in cases where only one spouse has sought a restraining or protective order;

"(B) discourage custody or joint custody orders by spouse abusers; and

"(C) encourage the understanding of domestic violence as a serious criminal offense and not a trivial dispute;

"(5) develop and disseminate methods to improve the criminal justice system's response to domestic violence to make existing remedies as easily available as possible to victims of domestic violence, including reducing delay, eliminating court fees, and providing easily understandable court forms.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—In addition to the funds authorized to be appropriated under section 310, there are authorized to be appropriated to make grants under this section $25,000,000

for fiscal year 1992 and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) LIMITATION.—Funds shall be distributed under this section so that no State shall receive more than $2,500,000 in each fiscal year under this section.

"(3) DELEGATION AND TRANSFER.—The Secretary shall delegate to the Attorney General the Secretary's responsibilities for carrying out this section and shall transfer to the Attorney General the funds appropriated under this section for the purpose of making grants under this section.".

SEC. 322. EDUCATING YOUTH ABOUT DOMESTIC VIOLENCE.

(a) GENERAL PURPOSE.—For purposes of this section, the Secretary of Education, hereinafter referred to as the "Secretary" shall develop model programs for education of young people about domestic violence and violence among intimate partners.

(b) NATURE OF PROGRAM.—The Secretary, in consultation with the Secretary of Health and Human Services, shall through grants or contracts develop three separate programs, one each for primary and middle schools, secondary schools, and institutions of higher education. Such model programs shall be developed with the input of educational experts, law enforcement personnel, legal and psychological experts on battering, and victim advocate organizations such as battered women's shelters. The participation of each such group or individual consultants from such groups is essential to the development of a program that meets both the needs of educational institutions and the needs of the domestic violence problem.

(c) REVIEW AND DISSEMINATION.—Not later than 9 months after the date of enactment of this Act, the Secretary shall transmit the model programs, along with a plan and cost estimate for nationwide distribution, to the relevant committees of Congress for review.

(d) AUTHORIZATION.—There are authorized to be appropriated under this section for fiscal year 1992, $200,000 to carry out the purposes of this section.

TITLE IV—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO ADOPTION

SEC. 401. FINDINGS AND PURPOSE.

Section 201 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5111) is amended to read as follows:

"SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

"(a) FINDINGS.—Congress finds that—

"(1) the number of children in substitute care increased by nearly 50 percent between 1985 and 1990, as our Nations's foster care population included more than 400,000 children at the end of June, 1990;

"(2) increasingly children entering foster care have complex problems which require intensive services;

"(3) an increasing number of infants are born to mothers who did not receive prenatal care, are born addicted to alcohol and other drugs, and exposed to infection with the etiologic agent for the human immunodeficiency virus, are medically fragile, and technology dependent;

"(4) the welfare of thousands of children in institutions and foster homes and disabled infants with life-threatening conditions may be in serious jeopardy and some such children are in need of placement in permanent, adoptive homes;

"(5) many thousands of children remain in institutions or foster homes solely because of local and other barriers to their placement in permanent, adoptive homes;

"(6) the majority of such children are of school age, members of sibling groups or disabled;

"(7) currently one-half of children free for adoption and awaiting placement are minorities;

"(8) adoption may be the best alternative for assuring the healthy development of such children;

"(9) there are qualified persons seeking to adopt such children who are unable to do so because of barriers to their placement; and,

"(10) in order both to enhance the stability and love of the child's home environment and to avoid wasteful expenditures of public funds, such children should not have medically indicated treatment withheld from them nor be maintained in foster care or institutions when adoption is appropriate and families can be found for such children.

"(b) PURPOSE.—It is the purpose of this title to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

"(1) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption; and

"(2) providing a mechanism for the Department of Health and Human Services to—

"(A) promote quality standards for adoption services, pre-placement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

"(B) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption;

"(C) maintain a National Resource Center for Special Needs Adoption to—

"(i) promote professional leadership development of minorities in the adoption field;

"(ii) provide training and technical assistance to service providers and State agencies to improve professional competency in the field of adoption and the adoption of children with special needs; and

"(iii) facilitate the development of interdisciplinary approaches to meet the needs of children who are waiting for adoption and the needs of adoptive families; and

"(D) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan.".

SEC. 402. MODEL ADOPTION LEGISLATION AND PROCEDURES.

Section 202 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5112) is repealed.

SEC. 403. INFORMATION AND SERVICE FUNCTIONS.

Section 203 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5113) is amended—

(1) in subsection (a)—

(A) by inserting ", on-site technical assistance" after "consultant services" in the second sentence;

(B) by inserting "including salaries and travel costs," after "administrative expenses," in the second sentence; and

(C) by adding at the end thereof the following new sentence: "The Secretary shall, not later than 12 months after the date of enactment of this sentence, prepare and submit to the committees of Congress having jurisdiction over such services reports, as appropriate, containing appropriate data concerning the manner in which activities were carried out under this title, and such reports shall be made available to the public."; and

(2) in subsection (b)—

(A) by striking out paragraph (1) and redesignating paragraph (2) as paragraph (1);

(B) by inserting after paragraph (1) (as so redesignated) the following new paragraph:

"(2) conduct, directly or by grant or contract with public or private nonprofit organizations, ongoing, extensive recruitment efforts on a national level, develop national public awareness efforts to unite children in need of adoption with appropriate adoptive parents, and establish a coordinated referral system of recruited families with appropriate State or regional adoption resources to ensure that families are served in a timely fashion;";

(C) by striking out "and (B)" in paragraph (3) and inserting in lieu thereof "(B) the operation of a national resource center for special needs adoption; and (C)"; and

(D) by inserting ", and to promote professional leadership training of minorities in the adoption field" before the semicolon in paragraph (4).

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5115) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) There are authorized to be appropriated, $10,000,000 for each of the fiscal years 1992 through 1994, to carry out programs and activities under this Act except for programs and activities authorized under sections 203(b)(8) and 203(c)(1).."; and

(2) in subsection (b), by striking out "$3,000,000", the first place that such appears, and all that follows through the end thereof, and inserting in lieu thereof the following: "$10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(b)(8), and there are authorized to be appropriated $10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(c)(1).".

Mr. COATS. Mr. President, I move to reconsider the vote by which the bill as amended, was passed.

The PRESIDING OFFICER. Without objection, the motion to reconsider is laid upon the table.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business during which Senators be permitted to speak therein and that the first 60 minutes of the morning business period be under the control of the distinguished Senator from Rhode Island [Mr. CHAFEE].

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

HEALTH EQUITY AND ACCESS IMPROVEMENT ACT OF 1991

Mr. CHAFEE. Mr. President first I want to thank the distinguished major-

ity leader for giving us this hour. I urge those Republicans who have been cosponsors of the health care reform provision, if they would come to the floor, this would be an excellent opportunity for them to make their remarks.

Mr. President, I see the distinguished Senator from Missouri here. The Senator from Missouri will follow after my comments.

Mr. President, today I am joined by 19 of my Republican colleagues in introducing the Health Equity and Access Improvement Act of 1991—a proposal which builds on the strengths of our existing health care system and corrects its deficiencies.

In July 1990, the Republican Task Force on Health Care was created by the Republican leader. The proposal we are introducing today arose from discussions within the task force and is an attempt to put forward a creative set of ideas that will improve our health care system. It represents a successful effort to develop some common ground among a fairly large and diverse group of Republicans.

This has been a lengthy process. Finding common ground on an issue as challenging and complicated as this is tremendously difficult. If it were not, we would have enacted health care reform legislation years ago. Consensus is hard to find, but I think we've made a good start with this proposal.

Our goal was to correct what is wrong with our system, while at the same time building upon those aspects which seem to work.

Clearly our costs are excessive in comparison with other nations. It is estimated that last year, $660 billion—almost $2 billion per day—was spent in the United States on health care. This is more per capita than any other industrialized nation. Yet between 31 and 37 million people, almost half of them children, may be unable to get needed health care services because they lack health insurance or live in an area without easy access to affordable health care providers.

Our businesses face skyrocketing costs for employee coverage, and this is affecting our ability to compete in international markets. In recent years, the primary cause of labor-management disputes has been disagreement over who should pay the increased cost of health insurance premiums. In addition, many small employers find it almost impossible to offer health care coverage to employees.

Another problem is inequity in the Federal Tax Code. Today, a worker in a large company that provides—and pays for—insurance receives that benefit without being assessed any tax. On the other hand, an individual who purchases health insurance for his or her family outside of an employer group must use after-tax dollars. Likewise, an individual who is self-employed can deduct only 25 percent of his or her insurance costs.

By the same token, our system does have its strong points. Approximately 85 percent of all Americans have some form of health insurance. Our system allows patients to have choices about their health care needs. There are no delays in treatment for those who are covered. Our medical technology is the best in the world.

Now, how does our proposal address the strengths and weaknesses in our system?

GETTING COSTS UNDER CONTROL

Our proposal includes a number of provisions to slow the rate of growth of health care expenditures.

1. PREVENTION

Our proposal invests in primary and preventive care. By providing increased funding for childhood immunizations, we are assuring that children in low-income families are protected from preventable diseases. Another provision in the bill would encourage all Americans, regardless of income, to utilize preventive services, such as cancer screening tests, childhood immunizations, and well-baby care. As the old adage goes, "an ounce of prevention is worth a pound of cure."

2. MANAGED CARE

Businesses and insurers continue to develop effective methods to contain the growth of their medical costs. One such effort is through managed care arrangements ranging from simple preadmission screening to full-scale HMO's. Our proposal encourages the development of such initiatives by preempting State antimanaged care and mandated benefit laws for approved managed care plans. Our bill also includes a provision to encourage employers to offer managed care options to their employees by providing a tax credit. The credit would be equal to 25 percent of the employer's cost of the managed care plan for the first year the plan is offered and would phaseout over the next 4 years. Through changes such as these, we can assure that individuals receive appropriate, cost-effective care, thereby reducing costs in the long term.

3. AFFORDABILITY FOR SMALL BUSINESS

Our proposal encourages employers to provide health insurance coverage to their employees. Many small companies, today, would like nothing more than to provide health insurance to their employees, but they simply cannot afford the cost. We address this problem in a number of ways.

First, we make reforms in insurance market practices that limit small employers' ability to provide coverage to their employees. Such practices include underwriting and ratesetting policies that exclude high-risk individuals or groups. Under our proposal, insurers who provide coverage to small businesses must meet the standards outlined in the bill or be subject to a Federal tax penalty.

Second, we encourage businesses with less than 100 employees to join health insurance purchasing groups, thereby giving them additional market strength to negotiate more effectively with insurance companies. The credit would be equal to 20 percent of the employer's health insurance cost and would be available in any year that the employer is a member of a purchasing group.

Third, we require development of a model health insurance plan. If an employer offers a health insurance plan that meets the criteria of the model plan, the employer would be exempt from State-mandated benefit laws. These benefits cover services ranging from in-vitro fertilization to hair loss treatment.

4. MEDICAL LIABILITY REFORM

A conservative estimate sets the cost of medical liability at $15 billion annually. It is estimated that this accounts for roughly 15 percent of our total expenditures on physician services. Our proposal mandates alternative dispute resolution systems, thereby lowering court costs and backlogs as well as increasing access to the liability system for those with small claims. The proposal also sets caps on noneconomic damages; preempts State tort law in certain areas; requires that punitive damage awards go to consumer protection agencies and State disciplinary boards, rather than providing a windfall to the plaintiff; and strengthens the ability of States to ensure that the quality of care provided by physicians and other health care professionals remains high.

EXPANSION OF ACCESS TO HEALTH CARE

Our proposal would help ensure access to health care services and insurance in a number of ways.

1. EXPANSION OF PUBLIC HEALTH SERVICE PROGRAMS

Our proposal expands Community Health Centers and the National Health Service Corporation. This would ensure that health care services would be available to at least an additional 7.5 million people over the next 5 years. In addition, we have increased funding for the Childhood Immunization Program.

2. GETTING CARE TO MEDICALLY UNDERSERVED AREAS

Our bill would create incentives to encourage medical professionals to practice in rural areas with a shortage of trained medical professionals. The most important of these incentives is a nonrefundable tax credit for primary health care providers who practice in such areas. If the health care provider practices in a designated rural area for 5 years, he would receive the full benefit of the tax credit.

3. CREATION OF NEW PUBLIC PROGRAM FOR THOSE NOT ELIGIBLE FOR MEDICAID

For low-income individuals who are not eligible for Medicaid services, we

have established a new program that would allow any State to provide health care services to uninsured persons, based on its needs and financial capacity. The program, called BasiCare, has the same Federal matching requirement as the Medicaid Program, but allows States to set their own eligibility levels and services. For example, under BasiCare, a State could provide primary and preventive care services to all children under 200 percent of poverty, provided they are not already eligible for these services under the State's Medicaid Program.

4. STATE EXPERIMENTATION

Finally, as an ex-Governor, I believe that those States that believe they have found a solution to their health care problems should be allowed as much leeway as possible to move forward. Thus, our proposal establishes a Federal waiver board to which States could apply for broad waivers of Federal health care programs such as Medicare, Medicaid, public health service, Veterans' Administration programs, and ERISA. A State could develop a plan to provide health care services to at least 90 percent of its population, and to meet certain Federal standards, and submit it to the waiver board for approval.

5. TAX CREDITS FOR INDIVIDUALS

Approximately three-quarters of those who are uninsured have family incomes below $30,000 annually. One way to assist these families in their attempt to find adequate and appropriate health care is to create a tax credit to be used for the purchase of health insurance as well as health care services. We provide for a refundable health expenses tax credit to assist low- and middle-income Americans purchase health insurance and health services. Qualifying individuals and families would receive a dollar-for-dollar tax credit for out-of-pocket health expenditures up to a maximum of $1,200 for a family and $600 for an individual. The credit would be available to families with incomes below $32,000 and to individuals with incomes below $16,000.

6. TAX CREDITS FOR SMALL BUSINESS

About 40 percent of those who are uninsured are employed by small businesses. To encourage those businesses to provide coverage, we have created tax credits to small businesses which begin to cover employees as well as to those which extend coverage to include dependents. The credit would be equal to 25 percent of the employer's cost of the dependent coverage for the first year the coverage is offered, and would phase out over 5 years.

7. EQUITY IN THE TAX CODE

Those who receive employer provided health benefits pay no tax on any employer contribution to the premium. On the other hand, an individual who does not receive employer-based insurance not only will pay more for insurance because he is purchasing it outside of a group, but also will pay for it with after-tax dollars since those payments are not deductible. There ought to be equity in the Tax Code. We encourage the purchase of health insurance by making the cost deductible for those without employer-provided insurance, and those who are self-employed.

The goal of our proposal is to develop a fair strategy designed to address the health care needs of all Americans by enhancing the benefits of our system and correcting its deficiencies. Our system must be modified to respond to the needs of those it does not adequately serve, and to prevent further erosion. Equally important, we believe we must ensure that innovative and creative alternatives to traditional health insurance plans are given a fair opportunity to evolve.

Through these initiatives we can accomplish these goals, and I urge my colleagues to join us by cosponsoring the Health Equity and Access Improvement Act of 1991.

I am delighted we have as many cosponsors as we do. There are already 19 cosponsors and we seek others, Democrats as well as Republicans.

I see my distinguished colleague from Missouri, Mr. President. I grant him such time as he needs.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I am very proud today to join Senator CHAFEE and 16 other Senators in introducing this very important legislation. I begin by commending Senator CHAFEE for the great leadership he has shown.

Now, around this body it is almost pro forma to say that I am grateful to—I thank my distinguished colleague from Rhode Island. I want my colleagues to know that in this instance this is a sincere and heartfelt thank you on behalf of the many of us who have participated in the task force looking at the problems of health care.

For over a year now we have been meeting every Thursday morning in Senator CHAFEE's office to talk about and to learn about the problems of health care. When you are talking about the health care problems in America today you are talking about many, many different facets. After several months of this meeting it appeared that we had raised so many questions that I thought we would perhaps never be able to come put with a solution. It was only through the determined effort and the leadership of JOHN CHAFEE that we were able to come to this point today where we are putting forth a bill that directly deals with many of the most serious deficiencies in our health care system today.

I believe that this is a good starting point for the legislative effort that we must conduct to fight rising health care costs and improve access to health care for all Americans. We have spent countless hours with experts on health care. We have looked at many approaches. We talked with people who are consumers, who are providers, and who are experts in the area.

Mr. President, today, other Republican Senators and I are introducing a proposal to reform our health care system. This legislation, we believe, will be the starting point for a serious legislative effort to fight rising health care costs and improve access to health care in America.

We have been working on this plan for more than a year. We have spent countless hours meeting with experts on health care and drafting a measure that addresses the needs of American families.

Last year spending on health care in our country soared another 10.5 percent to $666.2 billion—12.2 percent of our GNP. Worse yet, health spending is expected to reach $1 trillion by the year 2000.

As the explosion in health care costs is forced on the backs of American workers, particularly those in small businesses, more and more workers cannot afford to purchase insurance or even pay to see the doctor when they need to. We are facing a crisis in our health care system and Congress must act before rising costs cause a total collapse of the system.

The cost of health care for American workers is growing at an unsustainable rate. Legislation is needed to protect the workers and families in small businesses from having huge price increases for health care slapped on them by greedy insurance companies.

We must act to ensure that these families do not wake up and find their employer has had to drop their health insurance coverage because their insurance company has delivered a sharp rate increase. In many cases, a company faces increases when only a single worker develops a health problem. These rate increases are pushing working Americans into an inescapable cycle of ever-rising premiums and declining coverage that adds to the ranks of the uninsured and the underinsured.

We must act to fix the problem of the lack of affordable policies for workers in small businesses. Because these workers do not have the purchasing power of the blue chip companies and because there are fewer people over which to spread the risk in a small company, these workers are trapped in a system that leaves them only to face drastically higher health premiums. If one worker in a small company has a serious health problem, the insurance company may simply refuse to write a policy for the whole company, or they will charge so much that the workers and the company can not afford it. We must act to help these working Americans and their families get affordable health insurance.

Workers unfortunate enough to have a serious health condition dread the

day when their insurance company will decide the risk is too great and drop their coverage and they can not change jobs for fear of being refused health insurance in a new job.

As the insured feel the ever-increasing crunch of rising costs, there are more than 30 million Americans who have no health insurance at all and additional uncounted numbers who have inadequate coverage.

Mr. President, we have been developing this legislation and studying the complex health care system for more than a year. It has been a tough task to come up with a package of proposals to address the host of problems facing our health system. Our legislation addresses these problems in a number of ways.

One of our main goals is to give the workers in small businesses the same advantages in purchasing health insurance that workers at IBM, Chrysler, and GE enjoy. We would achieve this through a series of reforms of the small business insurance market.

Our bill would create Small Group Purchasing Organizations to give workers in small businesses more market power so they can get a better deal from the insurance industry. These purchasing groups would allow these workers to band together to get better rates. The group would receive a tax credit for 20 percent of the cost of health insurance purchased in this manner and under these guidelines. Group purchasers that meet Federal guidelines could purchase an HHS-approved insurance plan that would be exempt from costly State provider and service coverage mandates allowing these workers to purchase flexible, affordable, and reasonable insurance packages. This change would rightfully place small business workers on an even playing field with the blue chip companies that self-insure and are already exempt from these mandates.

Another big problem facing our health system is the inability of those with existing health conditions to purchase affordable health insurance of any kind. Simply put, the insurance industry only wants to insure healthy people. Our bill would prohibit insurance companies from refusing to offer an HHS-approved model benefits insurance plan to workers in small businesses.

We would also limit the ability of insurers to impose coverage restrictions on small businesses purchasing the HHS-approved model benefits plan and guarantee renewal of these policies where no reasonable cause for termination exists. So that a small company can afford to purchase insurance in the first place, our bill would limit rates for new policies to between 80 and 120 percent of the average rate of the class. To prevent insurance companies from forcing a small employer to drop coverage by drastically hiking rates, we would limit annual rate increases to the level of rates charged to new businesses with certain adjustments.

Workers who are self employed, like Missouri farmers, cannot currently deduct the entire cost of health insurance from their income tax as other working Americans effectively do when the cost of health insurance premiums is paid for out of their paycheck before taxes. We would extend this same benefit to the self-employed making the cost of health insurance 100-percent deductible for them.

In addition to these much-needed reforms, our legislation would provide assistance to those who, because their employer does not provide insurance, cannot take advantage of the existing tax benefits. We would create a refundable tax credit to use in purchasing health insurance and for out-of-pocket health costs, and make the cost of health insurance premiums 100-percent deductible.

We would extend this same benefit to the self-employed, making the cost of health insurance 100-percent deductible for them.

Mr. President, I ask unanimous consent to have printed in the RECORD after my remarks an article from the Farm Bureau News about the burden of health care costs on farmers and the need for deductions.

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

(See exhibit 1.)

Mr. BOND. In addition to these much-needed reforms, our legislation would provide assistance to those who, because their employer does not provide insurance, cannot take advantage of the existing benefits.

Mr. President, we must help the working uninsured obtain health insurance. Eighty percent of the uninsured in this country are either employed or dependents of employed people. That is 30 million people who will benefit from our bill right from the start. Remember, when someone without any health insurance cannot pay their health bill, those who have insurance get stuck with the tab.

We must act now—the problem grows worse with each passing day: The percentage of employers paying 100 percent of health premiums has dropped from 56 percent in 1989 to 48 percent in 1991: 44 percent, or 6.2 million of workers without health insurance work for businesses with less than 10 employees; 85 percent, or 12 million of uninsured workers work in businesses with 100 or fewer employees; In firms with 10 or fewer employees, only 1 in 3 businesses can afford to offer health insurance to their employees; and 13.6 percent of uninsured workers are self-employed.

For those who still will not be able to purchase insurance, we must strengthen our health care safety net. Our legislation would do this through the best, most cost-effective, public funded means possible today—our community health centers. Health centers across the Nation are already providing primary and preventive care, emergency health services, preventive dental services, and more to those who need medical care and cannot afford it. We would increase funding for the community health centers by $2.8 billion over the next 5 years. We strongly believe that for those who cannot afford insurance, there should be a community health center there for them.

The community health centers already provide health care to 25 percent of the Nation's medically indigent—5.8 million Americans. But, we must do better and the CHC's are a much better answer to this problem than huge expansions in the Medicaid Program. Communities with a CHC have seen their infant mortality rates decline by as much as 40 percent and their premature birth rate decline by as much as 29 percent compared to communities without a CHC.

Patients who use community health centers receive more preventive care and have hospitalization rates that are 50 percent lower compared to those who use hospital outpatient clinics or emergency rooms as their primary source of care. Total hospital days are cut by as much as 62 percent and average length of hospital stay decreases by as much as 34 percent. CHC patients' costs for laboratory, x ray, and pharmacy services are two-thirds the national average for this population. Overall, Medicaid payments for CHC patients are reduced by over 40 percent per year.

We must strengthen the health safety net for those who fall through the cracks of the system and the community health centers are clearly the best approach and they provide top quality health care.

Mr. President, we have found in Jackson County, MO, where there is a lock-in for Medicaid patients either to community health center, or hospital, or other providers, that we have been able to provide significantly increased health and better care for those people by providing incentives to the health care provider to keep patients well. There is a savings in cost but most important there is a saving in human terms in avoiding unnecessary illness, injury, instability, or delay.

There is much more in this bill than I can detail here. There is much-needed malpractice reform to address the tremendous added health costs caused by defensive medicine. There are numerous incentives for cost-effective managed care. There is increased funding for childhood immunizations. Our legislation will create new optional Federal funding for States to provide health coverage to the uninsured who are not eligible for Medicaid.

Mr. President, other health reform proposals that have been introduced unfortunately would do more harm

than good to our health system, our country, and to the American taxpayers who will ultimately have to pay the tab for health reform.

One popular approach among liberal reformers is copying the Government-controlled single-payer Canadian system of health care. Liberals believe that big government can run a better health system than the one we have now. They believe that Americans would have the same freedom of access under a United States version of the Canadian single-payer system. They believe that hospitals and physicians would practice medicine free of Government oversight and regulation. They believe that all of this could take place and cost Americans less than our current system. In short, they believe in a health care fantasyland run by a bigger and bigger Government.

The truth is that the Canadian single-payer system does not control rising costs. Between 1967 and 1987, inflation adjusted per capita health care spending increased at an average annual rate of 4.58 percent in Canada compared to 4.38 percent in the United States. The truth is that Canadians must wait weeks or months to get care—the average time spent waiting in line for heart surgery is 5 months, for a hernia, they can wait up to 52 weeks, and up to 32 weeks for cataract surgery. This is universal access? And the truth is that implementing a so-called universal access, Canadian-style system in this country could cost American workers between $189 and $339 billion in additional public spending in the first year alone.

Those who believe a Canadian-style, single-payer system would cost less must feel that a giant, Government-run bureaucracy is more efficient. They will find, as in so many other areas where we have had a simple, single-shot, Federal solution that, like so many of them, these solutions are neat, simple, and wrong.

To find a private-sector-based model for cost-effective health care we have to look no further than our own HMO's. In fact, the cost per capita at Kaiser Permanente in 1987 was far lower than the per capita cost of the Canadian system—$890 versus $1,370. In my own State of Missouri, we have had a managed care program for Medicaid recipients in Jackson County that has been providing better quality care more cost effectively since 1987.

In summary, a single-payer national health insurance system would provide for big government telling Americans when they can get care, how they can get care, and even if they can get care. This approach would have the efficiency typical of the Federal Government, the compassion of the IRS, and the cost control of the Pentagon.

It is hard to understand why some are proposing a bloated bureaucratic government-controlled system when governments throughout the Eastern bloc are throwing aside their government-controlled economies to solve their problems.

Mr. President, as everyone in this Chamber knows, our infant mortality rate in this country is far behind just about every other developed country in the world. About 40,000 babies will die before their first birthday in our Nation this year and 30,000 more will be stillborn. Nearly 75,000 women will receive no prenatal care at all. There will be 110,000 babies born with a serious birth defect. There will be 11,000 babies born this year who will have long-term disabilities because of low birthweight. That is an unacceptable record and we must improve it.

In many areas of this country, lack of access to health care services of any kind is an obvious and formidable barrier for a pregnant woman seeking prenatal care. In 1988, there were 111 counties in the United States that had no physicians at all; half a million rural residents live in counties with no physician trained to provide obstetric care; and almost one-third of all rural residents live in areas desperately short of physicians of any type.

By improving access to health care for pregnant women, infants, and children, lives will be saved and public spending will be lowered in the long run. Prenatal care is the most cost-effective health care we can provide. Bringing health care to poor, undeserved neighborhoods is a critical, but difficult objective.

Earlier this year, I introduced the Families in Need Act to address this terrible shortfall in our health delivery system. I have also been working in the Appropriations Committee to obtain increased funding for community health centers, the National Health Service Corps, the MCH block grant and other programs that fight this growing crisis.

Mr. President, we must work to solve the problems facing our health system. American workers, pregnant women and infants, families—they are all depending on us. We must not let them down.

The bill presented by Senator CHAFEE on behalf of the task force gives us a good starting point. I thank him again for his leadership, and I urge my colleagues to get engaged in the discussion of the provisions in this measure, which I think provide an excellent outline for what we ought to do to cover the multitude of questions raised in health care.

[From the American Farm Bureau Federation, Oct. 28, 1991]

EXHIBIT 1

FARM BUREAU PRESSES FOR HEALTH INSURANCE DEDUCTION

The American Farm Bureau Federation last week urged Congress to allow a 100 percent deduction of health insurance premiums paid by self-employed farmers, ranchers and other small business operators.

John G. Laurie, president of the Michigan Farm Bureau and a member of the AFBF board, told the House Ways and Means Committee that at the very least, the 25 percent deduction due to expire at the end of this year should be promptly extended. The congressional committee is holding three weeks of hearings to examine comprehensive health insurance reform in America.

Denying tax deductibility for self-employed people while permitting if for other workers is simply unfair, said Laurie, who with his family operates a 2,000-acre dairy and cash crop farm near Cass City, Mich. And, he added, allowing the 25 percent deduction to expire at the end of the year also would be unjust.

"Health care and health insurance are of direct and pressing concern to our membership," Laurie emphasized. "We strongly support a system of private health insurance where all individuals have the opportunity to join a group that is insured by an insurance carrier that is able to operate under a sound financial basis.

"We are heartened by some recent trends in the health insurance industry that point to systems that provide 'no frills' health plans to subscribers at reasonable prices," Laurie testified. He said the state of Maryland has permitted Blue Cross-Blue Shield to provide policies that do not contain some two dozen state-mandated health benefits that conventional policies must contain. He added, "State mandates are indeed a growing problem as more expensive coverage and high-risk coverage are imposed on the health insurance industry.

"We are particularly concerned about the health delivery system in rural areas and strongly support efforts to recruit and encourage health professionals to serve rural communities."

He added that veterans who are eligible for VA medical benefits should be permitted to use the rural hospitals and health facilities near their homes, utilizing a voucher or reimbursement system.

"In recent months, there has been a great deal of interest in a single-payer system like the one implemented by Canada," Laurie told the committee members. "We believe a system like that is not adaptable to our country because it fails to deliver the quality and quantity of care that we in this country take for granted."

The Farm Bureau leader added, "The one thing the failures of the economies of the Soviet Union and Eastern Europe have shown is that more government central planning will not provide high quality health care at reasonable prices."

AFBF joined with 290 other groups to form the Healthcare Equity Action League (HEAL). HEAL represents more than 1 million employers and more than 30 million employees nationwide.

Mr. CHAFEE. Mr. President, first, I want to commend the distinguished Senator from Missouri for not only his excellent statement, but in this task force, there was no more loyal and steady attender at our sessions, or no better contributor to our efforts, that Senator BOND. I appreciate the kind things he had to say about the leadership I gave. But for his efforts and his consistent attendance and contributions, we would not be where we are. I thank him very much. He has had a long-time interest in health care, extending back to when he was Governor.

Briefly, I want to read off the list of cosponsors of this legislation. Beside myself, there are: Senators DOLE, MCCAIN, SPECTER, BOND, COHEN, DANFORTH, MURKOWSKI, GORTON, MCCONNELL, STEVENS, PRESSLER, SIMPSON, WALLOP, WARNER, MACK, DOMENICI, HATFIELD, D'AMATO, and GRASSLEY.

Mr. President, I am so pleased that one of the real workers in our task force, Senator SIMPSON, is here, and I am glad to yield him such time as he requires.

The PRESIDING OFFICER. The Senator from Wyoming.

HEALTH EQUITY AND ACCESS IMPROVEMENT ACT

Mr. SIMPSON. I thank my friend from Rhode Island.

Mr. President, I am personally very proud to be associated with this effort. I want to personally thank Senator CHAFEE for his leadership and his patience and his great, good common sense. He has "trained us up" on this issue. This is not something that just comes topically or politically, because, for over 1 year, we have, all of us, been making great strides under his good tutelage.

I want to take a moment here to comment his fine staff, as well: Christy Ferguson—and she has worked very diligently with my staff—and Leslie Tucker. We have appreciated the very good counsel and material that we have received. When it get right down to the nuts and bolts of pulling together the divergent perspectives of a number of Senators, especially as diverse as ones the Senator from Rhode Island addressed—there are a number of Senators who articulate their thoughts at 8:30 a.m. every Thursday morning for weeks on end—we know how tough that is to get that done.

So my compliments to our well-respected friend.

As I say, I am proud to be part of it. I am especially pleased with how we went about crafting this proposal. We began not with some vision or some hindbound dogma, but rather, we sat down and asked, "What are the problems? What is causing them? What can we do that is doable?" And we proceeded then to wade through piles of data, and views of experts to look for ways to fix the problems.

We did it this way because I think we all started from the presumption that for the vast majority of Americans, our existing health care system is simply the best in the world—and it is. We did not want to disrupt that. We wanted to make it better, to find ways to bring the remaining 15 percent of Americans into full and equal participation in this marvelous system.

The growth of Federal expenditures for health is part—obviously an increasingly important part—of a more general budgetary problem. We have a debt limit of $4.175 trillion. And you can stand around all day and blame that on the Republicans, or blame it on the Democrats, but we are all here, a Democrat Congress and the Republican President, through those years, to accumulate a $4.175 trillion debt limit—$345 billion deficit in this 1 year alone. And health care outlays are an exploding part of this total.

Health expenditures are rising at a rate that is not only high, but is also totally unsustainable for both Federal payers and business. Medicare part B, now 3 percent of the Federal budget, will exceed 12 percent of the Federal budget by 2030. Medicare parts A and B, now 7 percent of Federal budget, are projected to exceed 30 percent of the Federal budget by the year 2025.

Then we have this great discrepancy in the part B premiums where 25 percent is being paid by the beneficiary, and 75 percent is being paid by the remaining taxpayers of the United States to take care of people who may be able to take care of themselves. It is a very troubling issue, and we have to get that formula corrected. Politically, it will be totally difficult.

Business spending on health care premiums, once a very small fraction of total employee compensation costs, now exceeds 100 percent of after-tax profits. Total public and private spending on health care in this country is on a growth path that would take over one-half of the gross national product by the time my 3-year-old granddaughter attains the age of 25.

In spite of this tremendous national commitment to health care, there are very real reasons to be concerned about the return on our investment. Our neighbor in the north is always mentioned when we speak of health care, and we should indeed closely look at their plan. For example, they spend a fraction of what we do on health care but nonetheless enjoy lower infant mortality rates, longer life expectancy, and universal coverage. But there are serious deficiencies in that program, and those are being ever more markedly observed. As we read and learn more about that, I think we will find that the American public would not want to embrace the Canadian health care policy.

In America, access to health insurance and health care is very uneven. Nearly 15 percent of Americans lack any form of health insurance. The public-private partnership we sought has turned into a public-private cost shift war. And it is the American public that suffers—inflated medical bills, higher insurance premiums, limited access to care for occupants of rural areas, inner cities, and the lower rung of the income distribution chart.

Our proposal addresses both the escalating cost issues and the access issues very squarely. It does so in a way that is not disruptive of what is best in American health care.

We propose a series of incentives—not mandates, mind you—to expand access to health insurance coverage and to make such coverage more affordable to individuals and businesses. We include a tax credit which will help nearly two-thirds of those who currently have no insurance to purchase coverage. We assist small businesses offering meaningful plans to their employees. We expand public health programs that have proven that they can deliver efficient, high-quality health care to those who have no other alternative, and we offer means for bringing those people into the mainstream health care system as rapidly as possible.

We propose to reform State malpractice laws, emphasize primary and preventive care, encourage managed care delivery systems, and reform the private insurance market to bring order out of the chaos.

And the best part—we propose to shore up the health care infrastructure in rural and inner-city areas. After all, it really does not matter how good your insurance is if there is not someone there to provide health care services.

So these are the things that we intend to present to our colleagues in Congress, and say: "Here is our package; some of us do not agree with all of it, and some of us have different views about how you finance this." I have my own and will share those at a later time in detail.

It can be done.

Politics, it is said, is the art of the possible. In our political system, it is simply not possible to enact sweeping reform packages that would significantly disrupt the health care system that Americans know to be the best in the world. So it is time to get past that way of thinking.

The proposals contained in the legislation we will introduce today are eminently achievable. They have been proposed or talked about by thoughtful people on all sides of this debate. Nothing new. Just finally a group of very concerned and able people who have been dealing with it for an entire year have put themselves on the line as cosponsors.

The proposals contained in this legislation are well known, and those who would hold their own realization hostage to some more aggrandized visions of health care reform, I think, would do the American people a grave disservice.

It will not be allowed by the people of America to do something sweeping, so we have to do it incrementally. And these are the increments of a plan which can be of great assistance to us and can bring us out of a situation, which, if we do not correct the consumption of resources for this health care system—which were $670 billion and now this year will rise over $700 billion—will simply engulf the entire Federal budget without our bipartisan attention.

This is our approach, a good, thoughtful approach by our deeply respected Senator from Rhode Island.

I thank the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Maine [Mr. COHEN].

Mr. COHEN. Mr. President, I am pleased to join my distinguished colleague in cosponsoring this Republican health care task force proposal. I commend Senator CHAFEE, in particular, and the other Members who were so diligent in attending the meetings virtually every week for more than a year.

This is an issue that has been percolating through our system for some time now, and it has become increasingly clear that health care reform is not simply a political or practical necessity, as some have suggested. I believe it is a moral imperative.

We have parents who are worried about how they can care for their children, parents who worry about how they can care for their parents, rural citizens who are concerned about how they can get access to much-needed health care, and virtually everyone in our society concerned about how they are going to be able to pay for it.

What we have is a paradox. We have perhaps the best health care technology available anywhere in the world. Our health care system provides the finest care available anywhere in the world. The bad news is that it is not available to everybody. The estimates vary, but between 34 to 37 million Americans do not have health insurance. And those numbers are going to climb.

As the cost of health care continues to grow, businesses are going to start reducing the health care coverage they provide for their employees.

The motion that it is only the unemployed who do not have insurance is a mistake. One of the great ironies is that working Americans and their families account for approximately 80 percent of the uninsured. The cost of health care insurance is simply beyond their reach or the reach of their employers.

Any health care reform proposal necessarily has to address three basic issues: Ensuring universal access, holding down costs, and maintaining high quality. Those are the three principal goals that we must strive to achieve. And there is no one plan that is going to be acceptable to the majority of people in this country or certainly in this Congress.

We believe we have structured a comprehensive proposal to achieve these three goals: Access, cost containment, and quality. While not perfect—as Senator SIMPSON mentioned a moment ago, many might object to specific provisions in this proposal—nonetheless, we believe that we have structured a package around which a consensus can be built in this country and certainly in this Congress.

Reference has been made to the Canadian health care system. There certainly are many positive attributes of that system. Everyone is covered, for example, and Canada does, in fact, have a lower infant mortality rate. But I think it is a mistake for us to simply look to other countries and say: "That is the system we ought to adopt."

For example, we have more uninsured Americans in our country than they have people in Canada. There are roughly 27 million people in Canada. We have 34 to 37 million people who are uninsured in this country. We also have different demographics, different problems, a different constituency. We have crime problems and drug problems that have yet to afflict our neighbor to the north. And we also have a different cultural, social, and political history.

For example, when you combine the Canadian income tax rates from the provinces and the national government, they go as high as 66 percent. I am not sure how many Americans would be willing to accept a combined State and Federal tax rate of 66 percent.

In addition, Canadians must often wait months and even years before necessary surgery can be scheduled.

I do think we can learn from other countries' experiences. I think we can build upon our current system to make the reforms necessary to ensure that all Americans have access to affordable, quality health care.

Our goals, therefore, are access, quality, and cost control. I think we can achieve these goals through the proposal that the Republican task force has put together.

There are many competing proposals. Many of these proposals also have merit. Hopefully introduction of the task force proposal will signal the beginning of a debate that will be carried on in a bipartisan manner by high-minded people who seek to reach a consensus between proposals coming from both sides of the aisle.

Based upon my review of the major proposals that have been introduced, I believe that we are within reach of a compromise that most Americans can support and that will bring necessary relief to millions of people.

Mr. President, I am pleased to join with my distinguished colleagues on the Republican Health Care Task Force in introducing the Health Equity and Access Improvement Act of 1991, which takes significant steps toward ensuring that all Americans have access to affordable, quality health care services.

The proposal is similar in many respects to comprehensive health care reform legislation I initially introduced in the last Congress, and I was pleased to have the opportunity to help shape the task force proposal. I would particularly like to thank my colleague, Senator CHAFEE, for his leadership in this effort, which has finally come to fruition after many months of meetings, workshops, and extended discussions.

Political pundits across the country woke up on Wednesday morning proclaiming, along with the Pennsylvania election results, the birth of a new national issue: health care. That concerns about health care are foremost in America's mind is not news to me, and it's not news to my constituents. The people of Maine woke up to this issue a long time ago. That's why I've introduced a comprehensive health care reform bill in the last two Congresses. That's why I've tried to persuade the administration to engage in more than rhetoric on the issue. That's why I've dedicated time and energy to the Republican task force. And that's why Congress can no longer avoid taking action on the issue.

I was reminded of the extent of the concern in my State when I sponsored a health care conference in Portland recently to examine some of the more pressing problems plaguing the system. The response was overwhelming. We anticipated 250 to 300 participants, were able to accommodate over 500, and had to turn away 200 more. Unfortunately, there was no single facility available in my State to accommodate everyone who wanted to talk about health care.

The problems plaguing our Nation's health care system have reached critical proportions, and the need for comprehensive reform is not just clear, it is compelling. It is a problem that affects every segment of our society—parents who worry about providing adequate care for their children, residents of rural areas plagued by shortages of health care providers, senior citizens who fear the devastating financial and emotional effects of serious illness, and businesses that simply can no longer afford to provide health care coverage for their employees.

What was once just a serious problem, is now both a moral imperative and a practical necessity.

Americans spent $671 billion on health care in 1990—over 12 percent of our gross national product. Ironically, at a time when health care expenditures are skyrocketing, more and more Americans are going without adequate care. As many as 37 million people—at least one in every eight Americans—have no health insurance at all. Many more have inadequate coverage. They are not old enough for Medicare, not poor enough for Medicaid, and have limited or no health insurance provided through their employers.

In fact, working Americans and their families make up the vast majority—about 80 percent—of the uninsured. Some have been denied coverage because of their medical histories. Most

have simply been priced out of the market.

Rising health costs and Government mandates have sent health insurance premiums through the roof, virtually precluding small businesses from providing adequate coverage for their workers, and individuals and families of modest means from providing coverage on their own.

The American health care system is a paradox.

It is capable of providing the finest, most innovative and technologically advanced care in the world. But for all of its sophistication and technical expertise, our system is critically flawed. While it is capable of providing the finest health care in the world, an increasingly unacceptable number of Americans are going without routine, basic health care services.

The legislation I introduced in the last two Congresses, and the bill my colleagues and I are introducing today, takes major steps towards resolving the problems of cost and access that plague our current system.

Like my bill, the task force package builds upon our current employer-based system by offering financial incentives to broaden access to care. It provides a refundable tax credit to help low-income individuals and families cover the cost of health insurance or services. It makes insurance more affordable for self-employed individuals and their families by granting them the same 100-percent deduction for health benefit costs currently granted to large businesses.

The proposal also makes insurance less expensive for small businesses and their employees by encouraging them to enter into purchasing groups and exempting them from costly State mandates, thus allowing them the option of purchasing more affordable basic coverage. It guarantees the availability of such coverage to any small business wishing to purchase it, guarantees the renewal of such policies, limits premium increases, and also limits the ability of insurers to impose coverage restrictions.

In addition, the legislation increases funding and expands programs like the National Health Service Corps, community health centers, and area health education centers to increase access to care in rural areas. And it provides Federal matching funds for States, like Maine, which wish to provide basic health coverage to low-income, uninsured individuals who are not currently eligible for Medicaid.

While I have concerns about some provisions of the Republican task force package, specifically the preemption of State tort law in the malpractice component, by and large it is a fine bill that takes significant steps toward the fulfillment of some of our most pressing health care needs. The introduction of such a package makes an important contribution to the debate and is a major step toward the development of the consensus necessary to achieve significant national health care reform.

The problems plaguing our Nation's health care system are complex. Any solution is bound to be expensive. But the problems will never be any simpler, and the solutions will never be any cheaper. The window of opportunity for reform will never again be open as wide as it is today, and it is time now for Congress to put partisan interests aside in favor of the national interest. I look forward to working with my colleagues on both sides of the aisle to enact the reforms necessary to ensure that all Americans have access to affordable, quality care.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I first state for the RECORD that I will submit, if not today, at the next convening of the Senate, an explanation of my support for the passage of the proposals on health care and, at the same time, indicate in that document some of the areas that I have concern about. With that observation, I am going to be a cosponsor, and I have already told Senator CHAFEE that I would be.

Mr. President, I am going to talk today, not about the proposal that is pending before us, but about two aspects of American life that I think it is important that we think about as we look at health care for Americans.

I do not know which is more important, but let me start and say there are two things that I believe are very much the predominant concerns of our people and, if they are not in a way that people express them as being a big concern, they are a concern in the sense that they are somewhat taken for granted. So let me suggest what I think they are.

First, I think the paramount issue in a society such as ours from the standpoint of Government and what Government ought to be trying to do by policy is essentially to make the capitalistic economic system work well.

Because without it working well, we do not have any jobs, we do not have opportunity, and millions of Americans do not have an opportunity to enter into their own business, to share their own entrepreneurial skills, and make money. So essentially, to make the capitalistic system work well, we have to recognize that businesses owned by people have to make money.

We used to think that jobs somehow came by somebody waiving a wand. And for a long time, we would not even want to talk about the fact that General Motors has to make money in order to sell cars in order to pay its workers a good solid living wage, and all the other things.

And for a long time we would not even talk about small business having to make money. We were always talking about what we ought to do to make sure they are good citizens and providing the right kind of safety and the right kind of job environment. You know, there is so much of that out there that many businessmen think that Government actually hates them, dislikes them. There are many businesses, large and small, that are convinced that their national Government really does not care about them.

Well, obviously, this Senator does not feel that way. I believe that we ought to start looking seriously at why we are unable to have long—I do not mean 7 years—why are we unable to have 15 or 20 years of sustained economic growth at low inflation. That ought to be top rung for all policymakers of the United States.

How do we do that? It is not easy. Because now we are competing with a lot of countries that have a capitalistic regime for their economy and for their individual country's prosperity, and they do some things better than we do.

I believe eventually, though, we are going to have to look seriously at a whole new Tax Code, because the Tax Code of the United States has sent the wrong signals to the marketplace. It tells people to borrow instead of save. It tells corporations to merge and borrow rather than go into the marketplace and get capital, because if you borrow you get to deduct everything. If you have to go raise money for capital, you get taxed twice; once on the profit, and once on the dividend. Those are just kind of fundamentals.

Now, why am I talking about that when we are talking this morning about an improvement in the health care system of the United States? Well, Mr. President, because while health care is the premier social concern in the United States today—and I think that is right—it just happens that whatever system you have in our quilted system—partially run by Government and partially run other ways; and Medicaid, partially paid by us and partially by our States—whatever way, it costs money.

And there again, I am sure the American people, sitting around watching a discussion about health care, know that for somebody to say, "we want national health care, and if you elect me, I will have it; I will do it," I am sure they know that somehow or another it is going to cost money.

Now, maybe there are policymakers or policymakers-to-be who can suggest we will save a lot of money, and it will not cost any more; we are just going to give a lot more people health care. But I am not so sure, when you get right down to it, that average Americans sitting around pondering this issue are going to believe that.

Some talk as if we ought to have a national health care system, and they sort of indicate Washington ought to

run it; it ought to be run by the Government. Well, you know Americans will not believe in that very long. They will say that, instead of being good medicine, they will end up saying that is bad medicine that is coming from Washington, and do you really think they are going to let Washington run the health care system?

Well, let me suggest that it does cost money, whatever the system. Let us just talk about ours, with all the deficiencies, and put it into perspective. It costs 12 percent of our gross national product, an incredible number.

Some might say, "What is the difference? Of the huge pie of GNP, we just take a sliver of 12 percent and use that for health care."

Well, it makes a difference because all those competing countries that are building goods and services and selling them in the world market and paying their workers, they have health care, too. And in our case, we have the highest percent of GNP for health care of any of them. A living example, Japan is about 7; we are 12. So whatever their GNP, 7 pays for all their health care; 12 is ours. One might say, "So what, Senator? That doesn't matter."

Then let us look at cars. When a Toyota car comes off the assembly line in Japan, because it has a health-care cost attached to it, because they have paid for the workers' health-care coverage that worked on that car, that Japanese car has a little sign on it: "350 dollars' worth of health care."

Well, get on an airplane and come over here and go outside of the Dodge plant, and get a similar car called Dodge. Guess what? It has a little tag on it which says: "750 dollars' worth of health care costs." A little bit of difference. if you keep those differences going, pretty soon you will understand why they might sell more cars than we sell. That is the case everywhere.

So it is time, if we want to have a good economic system and take care of that big problem called health and health worries, health concerns, preventive and primary care, and all the other things, we better get busy trying to figure out a way to do it where we can assume that we are going to pay less for the unit of delivery and deliver more; that is, let us have some cost control ideas. And then we have to broaden the coverage, and we call that access.

And clearly, in the process, we have to make sure that we have a diversity of care that keeps the American system, which is obviously the best. In terms of exotic medicine, high-technology medicine, and overall quality, we are the best. We do not want to lose that in the shuffle. So I think what we have here is a very, very exciting start.

Senators have explained how we are going to try to work this into a major item of discussion for the American people and for those who are gong to have to draft a policy here and elsewhere in the Congress. I think, in that respect, it is going to serve a very good purpose.

I would like to suggest that one thing we must do sooner or later, and I think almost every Senator that has looked at it will agree, we have to do something to get control of costs by controlling the court cases, the tort jury trials against doctors and hospitals. We have to do that a different way. We have to have some reasonable caps on that kind of liability, and we have to get it out from the emotional decisions and the decisions that we are hearing day by day, which clearly point to the kind of thinking that you go after someone with deep pockets and get an enormously large verdict. And then that sets a very high plateau of settling cases, and also of defensive medicine.

I am absolutely convinced if we were to look at this carefully for 6 months or so and see what has really happened, we will be amazed and aghast at how the system is literally getting bludgeoned and burned by jury trials and tort liability brought by the plaintiffs' bar in this country on behalf of patients. Most of the time, the cases represent very, very high visibility plaintiffs, malformed babies, the kind that have an adverse event; not necessarily negligent, but it gets to the jury, and the adverse event yields a huge jury verdict.

We have to get those under control. And this package at least says let us get started down that line. I think we need more than the voluntary arbitration that is in the bill, but I will discuss that in more detail later.

I thank the Chair, and I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska [Mr. STEVENS].

Mr. STEVENS. Thank you, Mr. President.

I have cosponsored this Health Equity and Access Improvement Act of 1991 because I think it represents a good start toward expanding access for health care, while at the same time addressing, really, the causes of the increased costs in our health care delivery system.

This bill has been the product of a dialog with long hours and many meetings. I have to admit I have not attended all of them. But I have attended when we had the provisions for discussion which pertain to rural health delivery systems. The provisions in this bill seek to address the issues of the delivery system nationally, particularly in rural areas, in States like mine where the costs are often prohibitive and, in many instances, unfortunately, health care may be totally nonexistent.

For those who live in the remote areas of Alaska, for instance, often the cost of just one trip to the hospital is more than their monthly income. I believe the bill begins to address those needs of rural America and also the needs of small businesses. And again, frankly, the businesses of my State are almost all small businesses. We cannot obtain insurance for the small business company employees at a reasonable cost today. I think this bill, if adopted, could lead to relief for small businesses.

Even though Alaska now has a lower rate of injury and lower rate of malpractice, the insurance rates in Alaska now are twice those of California. In both instances, the rates of exposure are half those of Alaska, but we pay twice the cost. This bill makes, again, a good start at addressing the area of cost containment of those premiums. And I believe in terms of access, it is a plan which the American people can live with.

I want to tell the Senate that those of us who live in Alaska see the Canadian system in a different light than those who live in the big cities of the United States. The Canadian system at least provides some medical care in the very, very remote sectors of Canada. And I think this bill goes towards solving the problem of the nonexistent medical care areas in our State.

We decided, those of us who have cosponsored this bill, not to address the subject of financing the proposal. We will be criticized for that. But we attempt to set parameters on a health care delivery system and have the Congress define the need. I think if we could get to an agreement on those two subjects, we could then determine what we could afford and how soon we could afford the complete system that this bill envisions. I am very pleased to join Senator CHAFEE and commend him on what he has done to bring this bill to the floor today.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. President, there has been a lot of discussion the last couple of days about the messages emanating from the American public, and from the election this Tuesday. It seems to me, Mr. President, it clearly was not a partisan message. In fact, it could probably be argued rather persuasively that my party, the Republican Party, achieved more success on Tuesday than did the Democratic Party.

As has been pointed out, all across America in unexpected places, the Republicans did quite well, including most spectacularly electing the first Republican Governor in Mississippi since 1874.

But since, Mr. President, the focus has been to a large extent on the Pennsylvania race, I rise today principally to make some observations about the health care issue.

It comes as no surprise to this Senator that Americans are interested in health care. It also comes as no surprise to this Senator that the American public, in spite of their general skepticism about whether Congress can accomplish anything effectively, expects us to make some effort to address this issue which is very near the top of their list of priorities. It is not just a question of the uninsured, whether it is 31 million or 36 million depending upon which statistic you want to refer to. Clearly, there is a gap in the system in terms of the number of Americans who have no coverage whatsoever.

In addition to that, Mr. President, there is a genuine concern on the part of a whole lot of others as to whether or not the coverage they have is adequate. The whole subject is complicated, complicated to understand even if you are covered.

There are those who suggest that we ought to simply scrap the American health care system which has brought to most people in this country the best health care in the world, and replace it in lieu thereof with something akin to the Canadian system or the British system or some other really dramatic change.

I do not think anybody has the open answer to this problem yet. But it seems to me elementary that if you have a system that is already producing the finest health care in the world for most Americans, the most sensible approach would be to plug the gap for those who do not currently enjoy that quality of health care. So, obviously, we will have to address the problems of the uninsured.

In addition to that, clearly, we have to do something about the rising cost of health care, and we must go back and address catastrophic health care for the elderly, something we essentially wimped out on 3 years ago, and the problem of long-term care.

Republicans in the Senate are committed to dealing with the health care issue in a responsible way. The Republican task force, chaired by Senator CHAFEE of Rhode Island, has met for quite some time and has produced a bill today of which I am proudly a cosponsor and which represents our suggestions in the ongoing health care debate.

Mr. President, I introduced a health care bill last year similar to the one the task force introduced today, and reintroduced it in this Congress. I think the message is clear. The American people expect us to act in the area of health care. And with a divided government, the only way we can act is on a bipartisan basis.

I think if there is any national message at all emanating from Tuesday's election, it clearly was not anti-Republican—the Republicans won more races than the Democrats. If there was any message at all about Tuesday, it was that the American people would like for us to finally deal with the health care issue. That was the issue that dominated the Pennsylvania race. That was the issue the American public expects us to stand up and do something about.

So I am here today to commend my colleague from Rhode Island for his leadership in bringing together this proposal, to proudly cosponsor it, and suggest that the Senate and the administration get about the business of dealing with the health care issue.

Mr. SPECTER. Mr. President, more than half a century ago this country embraced the principle that every worker and his family should be insured against the haunting threat of loss of income as a result of retirement, death, or unemployment. To that basic tenet we have added protections against economic loss caused by disability, as well as help paying for the cost of health care for the elderly and the poor.

These were all laudable commitments, Mr. President. As has been the covenant we forged with medical science shortly after World War II. A covenant that has enabled us to make impressive advances—in increasing life expectancy and reducing the prevalence of fatal or incurable disease.

Under the circumstances, Mr. President, is it any wonder that America was once recognized as the world's leader when it came to safeguarding its citizens. But our leadership position is being threatened. We are losing ground in the war for a healthier America.

Mr. President, the enactment of Medicare and Medicaid in the 1960's resolved a longstanding national concern by providing insurance to older citizens and to the poor. But other, equally important issues have emerged since then. The cost of health care has increased so rapidly that it now makes up about 12.2 percent of our gross national product. As a point of fact, America now spends about $660 billion on health care—more than any other country in the world.

What a sad irony, Mr. President, that despite such a large national expenditure there are people in this country who have little or no access to health care.

Mr. President, today I join with my colleagues participating in the Republican Task Force on Health Care to introduce legislation that helps address the needs of the 33 million Americans who lack health insurance altogether, and the 20 million persons whose coverage is inadequate, including the over 1,000,000 residents of the Commonwealth of Pennsylvania without health insurance coverage.

The medical system in this country provides health care to 250 million people. This diverse system cannot be reformed over night. The bill we are introducing today would put in place reforms to improve the access to care for all Americans; provide affordable coverage; build on existing Federal programs which currently provide services; and improve health promotion and disease prevention initiatives. It is an important step toward implementing a national health policy which will ensure access to all Americans to affordable health care.

There is no one reason why people find themselves and their families among the uninsured. Data seems to indicate that jobs created over the past decade have been in the service-related industry and other nonmanufacturing jobs which are the least likely to provide insurance coverage for their workers. The decline in the employers contribution to the cost of individual and dependent coverage is another factor. With the decrease in the employer contribution and the low-wages paid by most of these industries, employees can no longer afford adequate coverage for themselves and their families.

Mr. President, it is estimated that 80 percent of the individuals without health insurance today have jobs or are dependents of those who are employed. Most of these uninsured are concentrated in small businesses, particularly those with 25 employees or less and in industries with a lower skilled work force. Clearly, one means of improving access to health care is to make insurance coverage more affordable to these employers and their employees.

This bill attempts to do just that. The bill focuses on improving the affordability of health insurance for all small businesses. It is achieved by amending the Internal Revenue Code to provide full deductibility of insurance premium costs for self-employed individuals and through establishing a new tax credit for small business employers who begin to offer insurance coverage to their employees and/or their dependents.

I compliment my colleague, Senator CHAFEE, for his leadership on this important issue. While I have some reservations on some aspects of the bill, I believe it provides a good starting point for consideration of legislation to extend adequate medical care to the people of this country.

Mr. DOLE. Mr. President, 1 year ago, Senate Republicans formed a health care task force, ably chaired by the distinguished Senator from Rhode Island [Mr. CHAFEE].

No doubt about it, health care is at the top of the list when it comes to national priorities. Several months ago, in fact, a couple of years ago, I predicted that health care would be the No. 1 issue in the 1992 Presidential campaign, and judging by the intensifying focus on health care, it looks like this prediction is coming true.

Every American knows firsthand that health care costs have run amok.

The number of uninsured has grown. And the middle class are getting more and more concerned about the security and affordability of health care. When I read recent polls indicating that 90 percent of the American people feel our health care system needs fundamental change, I believe it.

It always has been a priority issue with those of us from rural States where access to quality care is becoming more and more challenging, and in some places, almost impossible. Let us face it, health care is not an issue that suddenly popped up this week. I have been immersed in this issue throughout the course of my career in public service, as have many others in this chamber, on both sides of the aisle.

I have just completed a tour of all 105 counties in the State of Kansas, and after hundreds of town meetings and visits with Kansas officials, voters, taxpayers, workers, I can tell the Senate today that health care is the priority concern in my home State, and the unanimous message does not come as any surprise, but it underscores the fact that despite the best efforts of Republicans and Democrats during the past decades, the problem remains.

Reform proposals to revamp the current system are in no short supply—there is plenty of access to them. My latest count is there are 24 different proposals that have been introduced in the Senate itself. I am certain there are dozens more in the House. In addition, we have all kinds of plans coming from insurance companies, from big labor, big business, small business, hospitals, doctors, all health care providers.

So there is a lot of interest in what we may be doing in the next couple of years when it comes to health care.

But conventional wisdom among Government and industry experts says that it probably is going to be 2 to 5 years before we have a meaningful comprehensive health reform.

What is blocking action? There is a lot of finger pointing going on right now. Democrats point at the White House; others point to the Democrat-controlled Congress; doctors point to lawyers; insurance companies point to wasteful hospitals and doctors who charge too much; small business points to the insurance companies; interest groups point to a lack of consensus. Everyone talks about how complex the issue is and, meanwhile, the American people watch in frustration as their coverage dwindles or even disappears, in some cases, and costs go higher and higher.

So I suggest it is time to stop pointing fingers. There is plenty of blame to go around. It is time to really do something. I do not mean it is time to just talk about doing something. It is time to introduce a bill that will actually pass and will have the support of the President and the Congress, from Members of both sides of the aisle, and that will become law.

I am not certain where that bill is. There are a lot of people who think their bill is the one that is going to pass. I think all of us understand if we are going to have health care reform, it is going to have to be bipartisan, nonpartisan. It is going to have to be consensus driven.

But today, a number of my Republican colleagues, led by Senator CHAFEE, introduced a bill that I believe does have a fighting chance of passing and becoming law.

For the past year, our Republican task force spent every week searching for ways to curb the ever-rising health care costs and to expand access for millions of Americans now without insurance.

Our discussions have been frank and comprehensive. Did we agree on every point? Of course not. Have we solved the crisis? Not completely. But what we have done is put together a meaningful package that will improve health care for Americans.

We must remember, comprehensive, sweeping reform is going to take some time. Anyone who says it will happen overnight is going to be very disappointed.

I think anyone who understands health care and how complex it is and how many different groups are involved is going to have to be willing to make a lot of tradeoffs, a lot of balancing, because every interest group is going to want to be there to reserve their appropriate rights, as they should reserve their appropriate rights. But the bottom line is getting affordable health care to the average American, people in my State and other States around the country.

The financial resources to restructure the system are just not there. Simply put, the Government is broke. And most of the States are running in the red as well. That is why Democrats keep talking about taxing business—because that is what those pay or play proposals really are—just another tax on business.

If it is America's intention to bankrupt the employers of our Nation, particularly small employers, some of which are already operating on the margin, then that particular proposal is the right solution. Or if it is our intention to ravage the economy and force people out of work, then some of the other proposals we have seen might be the right way to go.

I doubt that is what most Americans want. What we want to do is curb runaway health care costs that are consuming more and more of our gross national product. Our goal is a health care system accessible to all Americans. Our goal is to have health care reform that preserves the assets of our system, assets we do not often hear about, such as unparalleled high quality health care delivered by our health professionals.

The most critical element of the proposal before us is the use of incentives versus mandates. The American people do not want to mandate, they do not want to be told. Employers do not want to be told you have to do this or you have to do that, whether it is parental, or family leave, or health care, or anything else, for that matter. We continue to believe that given a chance, small business, the self-employed, and many individuals will seek to protect themselves or their employees. Our bill will do that through the use of tax credits and reforms in small market insurance.

Additionally, our bill recognizes the multifaceted nature of the problems confronting us. Some people can be helped through the use of tax credits. Others will benefit through the expansion of the Community Health Clinic Program, while still others will avail themselves of coverage under the State publicly financed program.

I should also note that there is special attention given to the real needs of rural populations. Our bill not only increases the funding for community health clinics, it also increases funding for the National Health Service Corps which will translate into more health care providers for rural areas throughout America.

Our bill also features some innovative provisions to contain skyrocketing costs. We believe that $15 billion can be saved each year by reform of the medical liability laws. We have also made provisions for small market insurance reform and the creation of purchasing groups.

These are just a few of the innovations included in our bill. As a group, the task force had to resist the temptation to junk the entire system and simply start from scratch. It also rejected radical reform, which have no chance of passing. I believe our approach is both reasonable and responsible.

Mr. President, I would also like to note that while the proposal we are introducing may focus on acute care services, long-term care is still a priority.

In August, Senator PACKWOOD and I introduced a long-term care bill that addresses the needs of many of our older Americans. It provides for both home and community-based long-term care services as well as nursing home care. And most importantly, it significantly improves access to long-term care for a larger segment of our senior population. Unfortunately, we have yet to see any action on our proposal, and I think we can look forward to that next year.

Now, what is the toughest part? It is not to outline some program or to set forth a number of benefits. The most difficult part is telling the American people, the very people who want more

health care at less cost, who is going to pay for it. How are we going to pay for our package? How is anybody else going to pay for the other 24 packages that have been introduced?

I would just say this. We are certainly committed. We are not going to pass a bill on this side of the aisle that is not paid for. I think that is one thing on which we agree.

One area that looks promising to me is the imposition of a reasonable limit on the deductibility of health benefits provided by employers. That is one possibility.

Our current system of unlimited tax-free health benefits not only strips away incentives to contain costs and to consume cautiously, it also results in a loss of revenue to the U.S. Treasury of almost $40 billion. That is $40 billion a year.

This is only one financing mechanism that is a viable option. There are others. I am certainly confident we can find some way to responsibly finance any package without breaking the backs of the taxpayers by adding to our recordbreaking Federal deficit.

I conclude by suggesting that certainly this bill does not solve everybody's problems. It does move in the right direction toward greater access with decisive cost containment measures. What it does not do is to have the Government crushing Americans with new regulations, huge deficits, or massive tax increases.

It is quite different from the Canadian system with which some seem to be so fascinated. It is also quite different from the leading Democrat proposals with all of their mandates and big ticket bottom lines.

If you are looking for a health care bill that will actually help the American people without wreaking havoc on the economy, then I believe this bill looks pretty good. On the other hand, if you are looking for an excuse to expand the Government and weaken working America, while socking it to the taxpayers, then I think you have to look elsewhere.

Finally, as I indicated earlier, we are not going to get a health care bill, a good health care reform bill, unless we can bring all the parties together; that is, big business, small business, big labor, working men and women, providers of all kinds, insurance companies, and certainly get a lot of input from people who have been patients. And we have all been patients at one time or another in our lifetime.

I just suggest, Mr. President, this is the issue, the challenge of the rest of this decade. It is not particularly partisan. It is going to have to be addressed in a nonpartisan way. I look forward to working with my colleagues, working with the President of the United States, and working with the private sector in trying to come to grips with this very important challenge.

I yield the floor.

Mr. MCCAIN. Mr. President, I rise today to introduce along with Senators CHAFEE, DOLE, SPECTER, BOND, COHEN, DANFORTH, MURKOWSKI, GORTON, MCCONNELL, STEVENS, PRESSLER, SIMPSON, WALLOP, WARNER, MACK, and DOMENICI, the Health Equity and Access Improvement Act of 1991.

Mr. President, the American health care system is very much like an extremely ill patient, infecting us all.

The medical chart on the end of the health system's bed details the following serious symptoms: Over 32 million uninsured; business and government health expenditures rising rapidly; rural areas facing health care provider shortages, and hospitals struggling to keep their doors open. Nearly 25 percent of every dollar spent on health care is consumed by defensive medicine; young mothers lack adequate prenatal care; there is unequal access to medical services, and the costs of long-term care are prohibitive.

Arizona's chart certainly reveals the same. In fact, it is worse than most States in the areas of the uninsured, infant mortality, and access to mental health services, to name a few.

The American health care system is suffering from financial hypertension: Explosive cost pressure which is pushing every part of the system to the breaking point.

Health care costs are the fastest rising segment of our economy. From 1981 to 1989, they grew some 93.5 percent, while general inflation rose only 44.8 percent. This year, we will spend $750 billion. In 1960, health care consumed 5.3 percent of our GNP, a figure which will rise to 13 percent by the end of this year. Our competitiveness with other countries is now threatened by these enormous costs.

So difficult has the burden of health care become that this year has witnessed an unprecedented movement aimed at nationalizing at least some part of the health care system. Daily, we hear and read of the Canadian system, of mandated health benefit plans, and of big business' support for some form of national health insurance.

Reform of our health care system is essential. The polls suggest that many support national health insurance, like that of Canada, but I wonder whether this would really leave us with the system we want.

To their credit, our neighbors to the north have a health care system that provides universal access to primary care and preventive services for all of their citizens, and has a great deal to offer in way of ideas for reform. Their system's administrative costs are significantly lower than those of our system. Providers are paid on a fee-for-service basis and there is little cost sharing for the patient. The taxpayers, however, are burdened with an enormous bill to pay for their system. Costs are rising in Canada as fast as ours are, and their system eliminates some services and constrains access to some types of care.

The Canadian Government largely controls costs by rationing some services, and there is very little innovation. Patients with serious health problems do not have access to some sophisticated technology or innovative treatment methods. What's more, most Canadians lack ready access to many of the very diagnostic services we have come to demand in our country, including detection of such serious diseases as breast cancer, brain tumors, and spinal problems.

A second option for reform which is supported by some is the so-called Massachusetts miracle. It required businesses to either provide a specific set of health benefits to their employees or be taxed. It was a mandate, pure and simple, and it failed to recognize that the reason many businesses didn't provide insurance to their employees was that they were unable to afford the premiums. After 2 years, it was repealed due to its negative impact on the State's employers.

So, before we adopt, as a Nation, a national health insurance proposal that repeats something like the now repealed Massachusetts miracle, it's worth exploring what's good about our system, how it can be protected, and what alternatives exist in the marketplace to help deal with its problems.

Approximately 85 percent of all Americans do have health coverage, and enjoy state-of-the-art health care. Most patients have a choice. For those who are covered, there are usually no lines for care. We spend billions of dollars a year providing services for the poor. Nowhere in the world is the art and science of medicine so advanced, or advancing so quickly as in the United States. But that advancement comes at a very high price. One of the most severe is the unprecedented fact that 32 to 37 million Americans are without insurance.

For the last 2 years, I have been meeting with health care providers, consumers, and other Senators. We have been examining what's good and bad about our system, and searching for possible remedies. As a result of this process, many have come to the view that reform is essential, and believe there are some sensible options for reform.

We have developed proposals that will focus on the coverage needs of small businesses and their employees, addressing the needs of the poor and underserved, expanding access to care for children, increasing access to preventive care, and providing long-term care coverage for the elderly.

The legislation we are introducing today will reform many aspects of our Nation's health care system. It incorporates many of the proposals I have

introduced as separate measures in the past. And, combined with new proposals I've introduced this year, it provides the basis for sound and sensible reforms.

SMALL BUSINESSES

Most of the 32 to 37 million Americans without health insurance work in a small business, or are the dependents of those who work in small businesses.

Simplistically, some in Congress believe the way to solve our uninsured problem is to mandate that small businesses provide their employees with health insurance. Such thinking demonstrates a failure to understand what many Arizona employers have told me: They don't offer health insurance because they can't afford it, not because they don't care about their employees.

Rather than mandating coverage, or creating expensive new programs, this bill creates new and efficient coverage options both for the uninsured and insurers.

It would correct the longstanding tax inequity between small and large businesses by making permanent the deductibility of health insurance premiums for self-employed individuals, and boosting the percentage of deductibility from 25 to 100 percent. It assists small businesses in the purchase of insurance by providing them with less expensive alternatives to existing insurance plans, placing limits on premium increases and preexisting condition coverage restrictions, and guaranteeing renewability of policies that haven't been legitimately terminated for cause.

It also will allow small businesses to join with others to form a pool for the purpose of purchasing health insurance. This concept, which has worked in Cleveland, OH, will not only make insurance more accessible, it will hold down costs. And, it will provide a tax credit for those small businesses which begin to cover their employees and dependents.

TAX INCENTIVES

In addition to the small business tax measures, this bill will provide a tax credit to assist currently uninsured individuals in purchasing health care services or health insurance. It will also make health insurance premiums deductible for those who purchase health care outside of an employer group.

MANAGED CARE

I believe managed care, an HMO for example, is one of the bright hopes for controlling the growth of health care costs. A number of large businesses and Arizona's Medicaid Program, AHCCCS, have certainly demonstrated this. The legislation would prohibit States from restricting the development of managed care plans. We should enact policies to encourage the development and use of such plans, not discourage them.

RURAL HEALTH

Rural areas continue to be in a crisis with regard to their health delivery system, facing a severe shortage of health care providers and the potential loss of their hospitals.

We can address this critical issue by expanding the Area Health Education Center Program, providing additional resources to attract health professionals to medically underserved areas, providing more funds for the Rural Hospital Transition Grant Program, and providing grants to assist rural communities in exploring ways to establish mental health outreach programs. Our bill will also promote the development of managed care cooperatives and encourage the sharing of resources with other rural communities.

IMPROVED ACCESS FOR UNINSURED

Beyond the uninsured who are the employees or dependents of small business employees, there are many who are too poor to purchase health care, but earn too much to qualify for Medicaid.

Our legislation would increase access to health care for the poor and near poor by expanding the excellent and cost effective Community Health Center Program, expanding the National Health Service Corps Program, and providing block grants to States to expand services in medically underserved areas, including the expansion of services, recruitment, training of personnel, and capital development. In addition, it will create a new public program to allow States to provide health care coverage to individuals with income between 100 and 200 percent of the poverty level who are not currently eligible for Medicaid.

EXPANDED COVERAGE FOR CHILDREN

Many children in our Nation lack adequate access to health care. In addition to expanding access to the Community Health Center Program, this legislation would increase funding for the critical Childhood Immunization Program, and provide full Federal funding to cover all children under the poverty level.

PERMIT STATE-BASED WAIVER PROGRAMS TO BECOME PERMANENT

A number of States, including Arizona, have been experimenting with innovative approaches to Medicaid and other public programs. Our Medicaid Program in Arizona, the AHCCCS Program, has enjoyed certain success. We would like to permit other States to replicate AHCCCS, and even explore other models. States should not be forced into a mold fashioned at the Federal level, rather they should be allowed to tailor public programs to serve their individual needs and demographics. This legislation would permit States to make these demonstration programs permanent if they are successful.

MEDICAL LIABILITY

The present medical liability system is supposed to protect patients from negligent acts, and provide compensation for those patients with valid claims in a fair and efficient manner. It has failed. Instead, the current litigation system increases the cost of health care, reduces access to both the compensation system and the health care delivery system, subjects patients to many unnecessary tests and procedures, and is not adequate to protect patients from negligent acts. It has had an unfortunate effect on the retention of health care providers, and has driven up the cost of health products and devices.

Our legislation will reform the system by expediting malpractice settlements, establishing alternative dispute resolution procedures, and setting uniform standards for medical malpractice cases. It also provides special protection for those devices and products that go through the Food and Drug Administration's premarket approval process, establish uniform disciplinary reforms, and permit community health centers to self-insure.

In addition to this legislation, it is imperative that the medical profession do a better job of disciplining the handful of bad actors that create 95 percent of the problem. With this, any reform will be insignificant.

While this legislation is fairly comprehensive, it is not complete. What's more, any legislative reform effort must be coupled with an elimination of wasteful and redundant procedures, tests, and operations, that are all too prevalent in our system.

FILLING THE BREACH

Several weeks ago, I introduced legislation with Senator LLOYD BENTSEN that I believe helps fill the breach.

First, it protects individuals with preexisting conditions from being denied access to health insurance if they change jobs. This issue has created job lock, as many with preexisting conditions are unable to change jobs for fear of being denied health insurance due to their preexisting condition.

Second, it creates a Health Care Cost Commission that will monitor and report on annual trends in national health spending. The Commission will also review the impact of administrative costs on health care spending, make recommendations for minimizing such costs, and develop uniform billing requirements for use by all insurers and providers.

And, third, it will expand the coverage of a number of preventive services under Medicare, including flu shots, mammograms, and colon cancer screening.

LONG-TERM CARE

Reform would be incomplete if we did not deal with the most critical health care coverage need of the elderly—long-term care.

Our Nation is aging at a phenomenal rate. Today, there are some 30.9 million Americans over the age of 65—356,000 of whom live in Arizona. By the year 2010,

there will be 39.4 million elderly Americans and in excess of 422,000 Arizona seniors.

With the cost of an annual stay in a nursing home averaging some $30,000–$40,000, it is not surprising that this is the most critical health coverage need of the elderly.

Most Americans do not have adequate coverage from these often ruinous expenses. Reform will require the involvement of both the private and public sectors.

When people are able to afford it, private long-term care insurance policies are—and must be—part of the solution.

The market, at this point, however, is not that attractive to most. For example, the law provides a tax deduction for the purchase of acute care health insurance, but does not do so for long-term care policies.

I have introduced two bills to address this critical issue.

The first, S. 1021, the Private Long-Term Care Insurance and Accelerated Death Benefit Incentive Act of 1991, would expand the private long-term care insurance market by making the coverage more affordable and accessible to our Nation's seniors. It would make premiums for long-term care policies tax deductible, give employers the ability to deduct premiums paid for employee long-term care policies, permit them to be offered under an employer's cafeteria plan, and clarify that death benefits from a life insurance policy may be paid to a terminally ill individual in the year before death, and not be taxable.

The second, S. 846, the Long-Term Care Protection Act, would provide Federal consumer protection in the long-term care insurance market. Specifically, it focuses on cleaning up restrictive insurance policy limitations and marketing abuses. This is to the long-term care insurance market what Medigap reform was to the Medicare supplemental insurance market last year.

As I stated earlier, the greatest health care coverage need of our Nation's seniors is protection from the incredible expense of long-term care. While the public sector can, and does, play a role, many of our Nation's seniors are spending their hard-earned and limited resources to purchase private insurance coverage. It is critical that they have confidence in the coverage they are buying, and that unscrupulous salesmen are prevented from being able to prey on their understandable fears.

These two bills will spur the development of the private sector long-term care insurance market, assisting millions of Americans in protecting themselves from long-term care expenses, while providing consumers with the confidence that the market will be free from abuse.

With regard to the issue of expanded public sector participation in long-term care, I am still working with seniors from Arizona and around the country. There are significant questions yet to be resolved, including, what coverage should be provided through the public sector and who should be eligible for that coverage.

The crisis facing our Nation's health care system is perhaps the most critical domestic challenge we face, next to the budget deficit.

The proposals I have outlined provide a solid base of reforms and attack our real problems. There is, however, more that needs to be done before our health care system can fully recover.

There is a deep split in public opinion over whether we should enact the Massachusetts miracle, national health insurance, or other options. I believe we need an extensive national dialog on these issues before we find ourselves with a terminally ill system.

As part of this dialog, I look forward to continuing to work with all the citizens of my State as we press forward. On January 11, in Tucson, I will be chairing the second in a series of Arizona health care forums. The first one, held earlier this year in Phoenix, was attended by over 700 Arizonans. In my view, this dialog is critical if we are to map the rest of the road to health care reform.

Mr. HATFIELD. Mr. President, throughout my career I have had a single objective—to improve the quality of life for Oregonians and for all Americans. In my opinion, improving the quality of life depends on three things: health care, medical research, and education. I stand today to address all three.

First of all, I would like to comment on the action we took this morning. The adoption of the conference report to the fiscal year 1992 Labor-HHS-Education appropriations bill was a significant accomplishment. In all my 24 years in the Senate, Mr. President, I cannot remember a conference as contentious as was conducted this year on this bill. The reason is clear: our needs continue to rise while our resources are rapidly declining. We simply are not making progress toward cost containment and better utilization of our precious health care resources. I am, therefore, more convinced than ever that the time is right to embark on comprehensive health care reform.

As we all know, the question of access to health care has become a major issue in the United States. With more than 33 million Americans living without any form of health insurance or health care services, this has become a serious situation, indeed. In addition, the highest percentage of those without health insurance earn less than $30,000 per year. As health care costs continue to rise, more and more Americans will be forced to go without the benefits and care they need.

That is why, Mr. President, I rise today as an original cosponsor of the Health Equity and Access Improvement Act of 1991. Over the course of several months, 34 members of the Republican Health Care Task Force have worked diligently to come up with a plan of action to tackle this Nation's health care shortfalls. While this bill is not the entire answer to our health care crisis, it is a beginning, a starting point.

My main concern with this legislation is the lack of a financing mechanism. If we are to legislate a realistic solution to the health care crisis, we must come up with a workable financing mechanism. However, the proposals raised in the bill are important and open the door for further discussion of reform. Our time frame for adequate cost estimates and financing was short, but these things were certainly not forgotten or ignored. Therefore, our first priority must be to find a financing mechanism for the proposals and programs provided for in this innovative bill.

This bill provides incentives through tax credits to employers and to small businesses to provide health insurance for their employees and families. It expands access to health care through the expansion of community health centers and the National Health Service Corps. States are given the opportunity and flexibility to increase access to health care through existing Federal programs and new public programs, and to focus on preventive care. Also, Americans in rural areas will benefit from the rural assistance programs included in the bill. The initiatives in this legislation begin to address our health care concerns, and will ultimately lead to the improvement of the quality of life for many Americans.

I am pleased that S. 1597, the Rural Health Innovation Demonstration Act of 1991, which I introduced earlier this year, is included in this legislation. Access to health care in rural areas is important to me because more than 39 percent of Oregon's population lives in rural areas. More than one-half of our small towns have no physicians. On the national level, according to 1988 Census figures, 23 percent of the population lived in rural areas. In addition, in 1988, 111 rural counties in 22 States had no physicians. These statistics cannot be ignored.

My initiative addresses several rural health care concerns. First, it establishes rural health care cooperatives which would allow rural hospitals and health care systems to link resources. Second, it establishes rural health extension networks to provide education and community decisionmaking support for providers in rural areas. And finally, it creates a mutual support network to link mental health care providers of all sizes in a region in order to enhance the delivery of mental health services to the elderly and children.

My legislation also provides for an increase of $20 million in the authorization for area health education centers [AHEC]. I am pleased that with the support of several of my colleagues, this proposal has been included. As you know, AHEC's provide crucial assistance to States to improve the distribution, supply, quality, utilization and efficiency of health personnel in the health delivery system by encouraging the regionalization of educational responsibilities of health professions schools. By linking the academic resources of the university health science centers with local planning, educational, and clinical resources, the AHEC Program establishes a network of health-related institutions. This network provides educational services to students, faculty and practitioners, and ultimately improves the delivery of health care to rural communities.

Mr. President, I have the good fortune of being in Oregon tomorrow to dedicate the Biomedical Information Communication Center [BICC] at the Oregon Health Sciences University [OHSU]. This center, the first of its kind in the Nation, relies heavily on the AHEC Program. The BICC facility will be located at the center of the OHSU campus in Portland, OR. The BICC computers will form an electronic network with other health facilities in the region and with the National Library of Medicine, corporate and academic sectors. Computer teleconferencing will make it possible for scientists and clinicians in Oregon to collaborate with colleagues throughout the region and the world. The BICC will also contain a high speed fiberoptic based Oregon Health Information Network. This network will house data on the health status of Oregonians and the outcomes of their health care. In addition, researchers at BICC are working to develop a satellite teleconferencing system to link Oregon teaching sites. This, along with the AHEC Program, will allow live interactive conferences between health care providers and educators at OHSU and their colleagues throughout the State. As you can see, the BICC project is one of the ways Oregon is trying to improve health care in rural areas. In essence, Mr. President, the BICC is like a new four-lane highway running through my State, delivering vital health care information to all four corners and the borders beyond. It is critical to Oregon's infrastructure as an essential tool in health care delivery.

Today's legislation is a starting point. It is my hope that we can continue to build on the policies enumerated in this bill to provide high quality health care at an affordable price to all Americans. As Dwight Eisenhower often reminded us: A nation's security is not just in its weapons of war, but in its children, in its housing, in its roads and bridges, in its education, and in its health care.

Mr. CRAIG. Mr. President, as a member of the Republican Health Care Task Force, I am pleased to see today's introduction of the Health Equity and Access Improvement Act of 1991. The task force, under the excellent leadership of Mr. CHAFEE, has come up with a proposal which I support in large part.

To date, most of the proposals we have seen and most of the debate on health care reform has been skewed toward focusing on expansion of the Federal role. This proposal looks at health care as more of a public-private mix, an approach that I have advocated. It also focuses on the problems of our current system, preserving what is good. Another important aspect of this bill is the fact that it reflects an awareness of the unique needs of rural areas.

While supportive of this legislation, Mr. President, I have not yet become a cosponsor. In view of this Nation's tremendous debt burden I cannot ignore the potential price tag of this measure. I hope to be able to put those concerns to rest as we develop additional information on the legislation, so that I can give this otherwise admirable bill my full support.

Mr. WALLOP. Mr. President, today, I join with many of my colleagues in introducing legislation to implement the goals of the Republican Health Task Force. For nearly a year, the task force has labored to develop appropriate reforms of Federal health policies to steer us past the Charybdis and Scylla of health care—lack of coverage and escalating costs. The effort to develop this legislation at times did resemble the tasks of Hercules—involving many members from my party who at times had quite divergent opinions on how to proceed.

My own interest has been spurred by developments in my home State of Wyoming. The rapid decline in energy prices in the early 1980's was devastating to one of the economic backbones of Wyoming. One tragic result was that many people, struggling to survive economically, could not afford health insurance. At the State level, the response was to develop a State insurance pool, and to undertake a review of State health programs and options for improvement. But, the economic problems in Wyoming had hampered the development of health reforms due to a lack of stable funding. It is obvious that a Federal role is necessary to support private and State efforts to provide health care at a reasonable cost.

With this background, I have been particularly interested in three areas covered by our task force. The first involves the assurance of the availability of health insurance to the broadest spectrum of those currently without insurance. The second is to assist the small business community—the generator of new jobs and economic growth—in obtaining health insurance at an affordable price. Lastly, we have to address the special problems of rural, frontier, regions of the country. In terms of health care, many counties in my State have a frontier status.

Our bill addresses access by providing a tax credit for individuals to offset the costs of health services or health insurance. Our proposal would assist about two-thirds of those who do not have health insurance. For small businesses, we would provide a tax credit for health insurance plans, and provide incentives for small business purchasing groups. Such groups would allow economies of scale, and spread the premium costs among a wider population. This is an important step to ensuring that insurance prices remain reasonable.

From my perspective, one of the most important sections of this bill is the rural health section. Our bill improves the Federal rural health grants program to spur planning for health services and facilities in frontier health areas. It amends the Health Professions Training Acts to expand placement of doctors and nurses in medically underserved areas. And, the bill expands the concept of federally qualified facilities under the Community Health Centers Program. More facilities in Wyoming would receive assistance in expanding the population served, for recruiting and training health personnel, and for the purchase of necessary equipment.

Beyond these three areas, the bill also addresses health costs through such provisions as medical malpractice liability reforms and managed care requirements. The Republican task force has put together a comprehensive bill which should inspire an interesting debate. I strongly support some of the concepts in the bill, and have reservations about others. But, this is a serious effort. It follows our actions yesterday to introduce a Republican economic growth package. It once again demonstrates, in the words of David Broder, that "Republicans could govern." Broder wrote an interesting column on this subject—basically why a Republican Congress is ready and able to join with a Republican President to govern our Nation. I would ask that his column be printed at the conclusion of my remarks.

I must raise one caveat before we become seduced by the Siren's song on health care. If we are going to have a more vigorous public effort on health care, there will be a public cost. We, the American people, will have to pay for health care reforms. Our task force had rather strong discussions and disagreements on how to pay for our bill. The discussions continue, and this potential Achilles' heel must be resolved before we move forward on this issue.

I look forward to continue to work with my colleagues on the development of the Republican health care reforms.

REPUBLICANS COULD GOVERN

(By David S. Broder)

Unless you are of a certain age and were really tuned into politics in the early '50s, the possibility of a Republican Congress is as unfamiliar to you as a balanced budget. The last time there really was a Republican Congress was back in 1953–54. Democrats yielded the Senate majority to the GOP briefly between 1981 and 1987, but they have held control of the House of Representatives ever since 1955.

Anyone under 50 can be forgiven for thinking that the only thing Republicans can do in the legislative branch is oppose Democratic initiatives, support presidential vetos and defend administration officials and appointees before congressional committees. That's all they've ever seen.

The Republicans are type-cast as naysayers, obstructionists and lackeys of the White House. No wonder, then, that the voters' reflex is to keep electing Democrats to the House and Senate.

For a few hours the other morning, however, it was possible to glimpse what life might be like in a Republican Congress. It was nothing like the stereotype.

Over in a Senate committee room, the Republican Conference Task Force on Economic Growth and Job Creation was holding a mock hearing on tax proposals to stimulate the lethargic economy and ward off an early return to recession.

In a small office in the Capitol, the House Wednesday Group, an informal caucus of issue-oriented Republicans, was holding a press briefing on a report embodying two years of their work on new approaches to cracking the problem of persistent poverty.

My purpose is not to ballyhoo their specific proposals, although many of them make sense. Any open-minded person who was in either of those rooms would come away knowing that he had been listening to intelligent, serious people actively engaged in figuring out answers to major problems—not throwing sand in the gears of government.

The two Republican congressmen who presented the anti-poverty initiative were Reps. Vin Weber of Minnesota and Bill Gradison of Ohio. Their colleagues and congressional reporters know them to be among the brightest and most hard-working members of the House. But after 26 years of combined service, they are virtually unknown to the country, because neither has ever chaired a committee hearing, managed a major piece of legislation on the House floor or directed an investigation. Those are the perks of the majority party, and for 37 years, the voters have denied those opportunities and responsibilities to the Republicans.

The key figures in the Senate mock-hearing were somewhat more familiar: Sens. Phil Gramm of Texas and Bob Kasten of Wisconsin, both key players in the Reaganomics revolution of the early '80s; House Minority Whip Newt Gingrich of Georgia, a star of C-SPAN; and Secretary of Housing and Urban Development Jack Kemp, their ally inside the Bush administration.

Yet for these folks, too, there is immense frustration in the fact that when domestic policy is set, the action flows between the White House and the congressional Democrats. Congressional Republicans and their ideas are often left on the sideline.

Divided government has many costs, ranging from the protracted impasse of last year's budget summit to the ugly spectacle of the recent Clarence Thomas hearings. But the largest cost is that the country never gets to have more than a fraction of the intellectual and political resources of either political party applied to the problems of the nation.

An important objective of both the Wednesday Group and the Senate GOP Task Force was to persuade the Bush White House to take a look at new approaches to the stubborn problems of poverty and the sluggish economy. Were President Bush dealing with a Republican Congress, he would have no choice but to consider such views—and every incentive to weigh seriously what congressional Republicans were suggesting.

For these would be the people who would finally shape whatever legislation was passed. And as his ticketmates in the next election, they would share a common interest in seeing that the nation's problems were solved.

None of that is true when Republicans are in the minority and Democrats control Congress. The president need not heed advice from congressional Republicans, because they cannot pass any bills. The Democrats can pass bills, but they have no motivation to help make the president a success.

So the system ends up frustrating everyone in it—and serving the country badly. That's why the most critical question for 1992 is not whether the Democrats regain the White House or the Republicans win Congress. The critical objective is to see one party or the other do both—and give this country a government again, not just another set of warring politicians.

Democrats could provide that government if they produce a credible replacement for Bush from their field of presidential candidates. But what I saw on Capitol Hill suggests that Republicans are ready to govern—if given the chance.

Mr. MACK. Mr. President, I am pleased to be here to support the introduction of the Health Equity and Access Improvement Act of 1991. This proposal follows months of study and discussion of our current health care system by the Senate Republican Health Care Task Force. As a member of this task force, I have had the opportunity to participate in discussions on our current health care system, including the private insurance market, Medicare, and Medicaid. We have also discussed the necessity of access to health care for all Americans and the need to make health care more affordable.

The Health Equity and Access Improvement Act of 1991 is an effort to address access to health care and the escalating costs associated with our system, while continuing to promote individual choices in our health care marketplace.

I believe it is significant this legislation includes provisions to emphasize preventive health care. The preventive section builds on a proposal I introduced earlier this year to provide a preventive care tax credit of up to $250 for certain cancer screening procedures which are not otherwise covered by an individual's insurance plan or Federal Health Care Program. This section of the bill expands my proposal to include other worthwhile preventive health care programs—childhood immunizations and well child care. A tax credit would also be available to health care providers who provide these services free of charge to low-income individuals.

I have made cancer prevention a top priority legislative issue. In 1979, my brother, to whom I was very close, lost his life to cancer. In 1989, I was diagnosed and treated early for melanoma cancer. Recently, my wife, Priscilla, underwent a mastectomy after discovering a breast tumor through early detection. My daughter was successfully treated last year for cervical cancer and my mother was successfully treated for breast cancer 12 years ago.

Yes, Mr. President, cancer screening procedures and other preventive care services are the key to keeping individuals healthy and saving lives.

The American Cancer Society estimates that of the 1.1 million Americans diagnosed with cancer in 1991, approximately 79,600 deaths could be avoided through early detection and prompt treatment.

I commend to the attention of all Senators, the prevention section of The Health Equity and Access Improvements Act in addition to the many other fine initiatives contained within the bill. I wish to thank my friend and colleague, Senator JOHN CHAFEE, for his leadership on this task force and I look forward to continuing our efforts to improve access to our health care system.

Mr. GRASSLEY. Mr. President, I am pleased to be a cosponsor of this measure. The task force that put this proposal together, of which I was a member, worked on it for more than a year. We met regularly to listen to national experts discuss their reform proposals, to consider staff briefings, to hear presentations by administration officials, and to debate and argue about what should be included in it. Our Member meetings were pretty well attended, which I believe attests to the high level of interest in this problem among our Members.

We began meeting on this issue because we concluded many months ago that our health care system is very much in need of reform. It is obvious to everyone, as it is obvious to this Senator, that we must take steps, and soon, to stop the truly stupendous increases in the cost of health care that manifest themselves in ever-increasing health insurance premium costs, ever-increasing out-of-pocket expenses for health care, and ever-increasing public budgets for health care. These continuous increases in the cost of health care are creating, and rightfully so, great anxiety among our citizens, who wonder when the inexorable rise in health care costs, together with a serious personal medical emergency, is going to leave them financially devastated. The ordinary person is also, again rightfully, just plain mad at the outlandish cost of health care services. And also just plain mad at the seeming inability of anybody to do anything about it.

It is also obvious that we must take steps, and soon, to cure the related problem—the lack of assured access to health care of 31 to 37 million of our fellow Americans who do not have health insurance. It is heart-rending to contemplate that working families, and their children, may have no reliable way to pay for the most basic health care needs. We have in my own State of Iowa, according to the State department of insurance, somewhere around 223,000 Iowans without health care. Our hospitals in Iowa do wonderful work in providing health care without charge to many of these less fortunate citizens. But this is not the way it should be in this country, Mr. President.

So I participated in the task force which offers this proposal today, and, although I realize quite well that it is not perfect, not without its shortcomings, nevertheless it does offer a set of very concrete steps to address the related problems of cost and access. I look on it as contributing to the debate in the Congress, among those directly involved in providing health care, and among the public at large, on reform of the health care system. I believe that its specific proposals merit being added to the debate. And I believe that, taken all together, they provide a comprehensive approach to the problem.

The proposal we offer today has several provisions to increase access to health care. It provides refundable tax credits to low income individuals for the purchase of health care. It provides tax credits for small businesses to encourage them to offer health insurance for their employees. It would provide the same degree of tax benefit to the self-employed, and to those who purchase their health insurance outside of employer groups, as is now enjoyed by individuals employed by large companies.

It would reform the small group health insurance market. This reform probably wouldn't reduce the cost of health care in the small group marketplace, but it should create stability and reliability for the small employer, and thus for the small employers' employees, in this market.

The proposal would also help groups of small employers to form purchasing groups to enable them to exert bargaining and purchasing leverage with insurers and thus obtain cheaper health insurance. This small employer purchasing group approach has worked well in Cleveland, OH, and other communities that would like to experiment with such approaches should be helped to do it.

The proposal would expand public safety net programs. It calls for additional funds for the community health centers which are doing very good work in providing basic health care for low income people. We have three such community health centers in Iowa, Mr. President, and I wish we had several more. The proposal also would create a Federal-State matching program to enable a State to provide basic medical care to low-income individuals who are not eligible for Medicaid.

The plan this bill offers also has several provisions designed to improve access to health care in rural communities. It would increase funding for the health professions and nurse education acts to increase the number of these health care professionals in rural communities. As my fellow Iowans know, many of our communities have been having difficulty for some time in finding and attracting such vital health care workers. The health professions and nurse education acts can be amended to help interest such professionals in working in rural communities.

The bill would also increase funding for the Medicare Rural Health Transition Grant Program from which my own State of Iowa has already benefited greatly. It would increase authorization for the Rural Outreach Grant Program, the National Health Services Corps, and the Essential Access Community Hospital Program.

The bill contains several provisions designed to help contain costs. There is a medical liability law reform plan which would attempt to bring some sanity to the medical liability arena, thus ultimately lowering medical malpractice insurance premiums, and reducing the amount of defensive medicine practiced by physicians. There is an emphasis on preventive health care, such as cancer screening and well baby care. As I think is well understood by now, Mr. President, health promotion and disease prevention can help to reduce the cost of health care by keeping people healthier.

The proposal also would foster increased emphasis on "managed care" which many employers and insurers are experimenting with, and with which they have had considerable success in controlling the escalation of health care costs. Advocates of managed care approaches believe that such approaches can also improve the quality of health care received by those enrolled in managed care programs. I have some reservations about how well such approaches are going to work in rural communities, Mr. President, such as many in Iowa, where there may be relatively few providers of health care. I also believe that we will have to be on guard to be sure that the inherent conflict of interest in managed care programs, between those who pay for services and those who receive them, does not lead to deterioration in the quality of needed services, or access to them.

Mr. President, I am under no illusions that this proposal I am cosponsoring today offers a definitive answer to the problems we are experiencing with the way our health care system works. Nor am I under any illusions that the ultimate reform of the health care system we adopt will necessarily resemble this proposal in every respect. It is also obvious that this is an expensive proposal, and the bill contains no way to pay for it. It is obvious that the cost of any ultimate health care reform will have to be addressed, and that the cost will have a major bearing on how far we can go with reform and how fast we can go. What this proposal does is set out several routes toward improvement in our health care system, a framework for discussion and action, if you will. Once we gain some consensus on what type of approach we want to use for reform, we will have to get down to cases on how to pay for it.

I want to conclude by congratulating Senator CHAFEE and his staff for the hard work they put into coordinating and leading this effort. It was a thankless task because, even though the task force involved only Republican Senators, it was no easier to find a consensus among them than it has been to find a consensus among our Democratic Party brethren, among organizations that represent the various health care provider groups, among independent experts, or in the country at large, on this question of reform of our health care system.

Mr. COCHRAN. Mr. President, the Republican side had an hour of time allocated to it by the distinguished majority leader for the purpose of discussing health care legislation and proposals that had been crafted by Senators on this side of the aisle. We appreciate very much having the opportunity for this discussion on our side today.

But now that the allocated time has expired, I rise to compliment all of those who have worked so hard on the Republican side to develop these specific proposals to improve the health care situation in our country. There is no doubt this is a major concern among citizens throughout the country, and it is time for Government to come to grips with some of these very complicated, hard-to-solve problems like how to improve access to health care and the affordability of health care, especially in small towns and rural communities. These are issues that are not given to easy or simple solutions.

Some may like to think that; and some may suggest solutions that may take up no more than a paragraph or even a sentence. But I think the more we dig into it and study the problem, all the aspects of it, we come to the conclusion that this is going to require a comprehensive effort, an effort that includes the administration as well as the Congress, State governments and local governments, the private sector, the health care professions and providers, all pitching in, all trying to work together to meet these challenges.

I think the bill that has been introduced by Senator CHAFEE, who chairs

the Republican conference task force on health care, is an excellent example of the kind of response to these challenges which is going to pay off for America.

I might also add that the Senator from New Mexico [Mr. DOMENICI] has also made a proposal and has introduced legislation which deserves the careful consideration of the Senate as well, emphasizing the importance of rural health centers and small-town health clinics that can more efficiently and effectively, in many cases, deliver health care services to those who are unable to pay the expensive professionals who may practice only in the large cities. They may not be able to get to the offices and the hospitals where those more expensive health care providers practice medicine.

So, one of my purposes today, Mr. President, is to commend those who are Republican sponsors of the bills that have been introduced for the dedicated and conscientious effort they have made to develop these proposals and to bring them to the attention of the Senate in the way that they have. I know that these measures will receive careful and thoughtful consideration by this body. I will be very disturbed if they do not, because they certainly deserve that kind of attention.

Let me close my remarks and yield the floor, Mr. President, after making a few observations about the recent political events around the country which were discussed in such detail by many Democratic Senators yesterday and which have been the focus of a lot of media attention in the last couple of days.

Hearing the conversations on the floor of the Senate yesterday from the other side of the aisle, one could get the impression that there was only one election held in the United States on Tuesday and that was the Senate race in Pennsylvania. I am happy to offer my congratulations to the distinguished Senator from Pennsylvania [Mr. WOFFORD] who was victorious in that election. I commend him on the successful campaign he waged and the effective way he presented his message to the people of his State. I will work with him and cooperate with him here in the Senate, to try to help make sure that some of the issues that he raised in that election campaign are considered carefully by the Senate.

Some of those issues that he talked about were the same issues that are being discussed here today by Republican Senators, who feel just as strongly as he does and have worked very hard to craft workable solutions to some of the problems that he raised in that campaign.

But, I am also interested in making sure that everybody realizes that was not the only election that was held in the United States this week. Much has been said about the fact that this is an off-year election, there are not that many elections that are going on, not many campaigns waged. But the fact of the matter is there were a lot of municipal elections around the country, local government elections in several States, legislative races in my State of Mississippi, and in Virginia and New Jersey. All of these elections were held on the same day as the election in Pennsylvania. There were county government elections held in New York as well.

My point is this. The Republican Party did very well in these elections. Significant gains were made at the local level in many States as a result of the elections last Tuesday. Right enough, the Democrats held the Senate seat in Pennsylvania and they held the office of Governor in Kentucky. But Republicans picked up strength almost everywhere else and won very large gains in legislative bodies and in local elected offices in several significant States in this country.

I commend the Republican National Committee and the leaders of the Republican Party at the local level in these States where elections were held, for the successes they had.

Let me just point out a few facts, Mr. President. In New Jersey, for example, the legislature changed from a Democratic-controlled legislature to a Republican-controlled legislature with substantial increases in numbers in both the State assembly and the State senate.

Before the election, there were 17 Republicans and 23 Democrats in the State senate. After the election on Tuesday, there are 27 Republicans and only 13 Democrats. In the State assembly, before the election, there were 37 Republicans and 43 Democrats. After the election, there are 57 Republicans and only 23 Democrats. That is an increase in the State senate of 10 Republicans and an increase in the State assembly of 20 Republicans.

What they have in New Jersey now, Mr. President, is a veto-proof legislature. Even though a Democrat is serving as Governor, if the legislature passes legislation and the Governor should veto it, there are enough Republicans in the senate and in the house to ensure that the veto can be overridden. That is an interesting change. That is a significant change.

The campaign in New Jersey, as I understand it, was based upon disenchantment with the increases in taxes that were recommended and approved by the Democrats in New Jersey. Commitments were made to try to change some of those decisions by electing Republicans who were committed to make a difference, even though a Democrat continues to serve as Governor. He was not up for reelection.

And look across the border to the State of New York. Republicans claimed victory in New York State in three Democrat-held county executive positions. In Governor Cuomo's backyard in Albany, in Albany County which had been controlled by the Democrats for 70 years, Republican Michael Hoblock soundly defeated the favored Democrat candidate. There are two other counties where Republicans claimed victory: Monroe County, which is where the city of Rochester is located, and Suffolk County. All three of these candidates, I am told, in their campaigns emphasized their opposition to increased taxes and the bankrupt policies of Governor Cuomo. They were victorious. The people responded to their campaigns.

If you look to the State of Virginia, Mr. President, you see some very dramatic changes that were made in the legislature in Virginia. The highest numbers of Republicans that have served in the Virginia State House and State senate since reconstruction will be there. The State senate went from 10 Republicans and 30 Democrats to 19 Republicans and 20 Democrats. One race, I understand, is still undecided so that could be 9 or 10 new Republican senators in Virginia.

The State house of delegates went from 40 Republicans and 60 Democrats to 41 Republicans and 58 Democrats. One race there is still undecided. There could be two new Republicans in the State house of delegates.

The shared theme in Virginia was that we want more responsible government from the legislature. There was a challenge to some of the policies of Democratic Gov. Doug Wilder and these issues were debated throughout the State of Virginia. The Republicans won the debate and won the elections.

In one congressional special election that was held in Virginia, the Republican George Allen racked up the highest winning margin for a Republican in that congressional district in over a decade.

There were also races for mayor held all over the country. Let me just mention a few that are significant and have not been fully discussed by the press. They have not been given much coverage and attention.

Republicans were elected mayor in Savannah, GA; Fort Wayne, IN; Indianapolis, IN; Columbus, OH; Canton, OH—evidence, as I understand it, of continued support for some of the programs being recommended by the new Gov. George Voinovich, who is Republican, elected last year. Manchester, NH; Dallas, TX, where former Republican Congressman Steve Bartlett was elected; and Stamford, CT.

I mention these mayor races because they indicate that the Republican Party is alive and well in many parts of this country, and candidates that were running on the Republican ticket were elected to head up the city governments in many of our Nation's cities.

My own State of Mississippi has been talked about, too. My distinguished State colleague, Senator LOTT, made a very fine statement yesterday describing some of the issues that were involved in the Governor's race in our State. Some may not have noticed that we also had a Republican candidate elected Lieutenant Governor in Mississippi. In our elections for Governor and Lieutenant Governor, the candidates run their own campaigns. They run separate campaigns. There is no automatic election of a Lieutenant Governor just because the Governor may win on one party's ticket.

What was so surprising to many in Mississippi and outside of the State is that we were able to see two Republicans win both of those elections because we have never had any candidate running on the Republican ticket elected to any statewide office in State government since 1874. So this was very definitely an event that should attract nationwide attention.

But it is not just the State government elections that are so significant. They are significant and very important, and I commend both Kirk Fordice, our winning gubernatorial candidate, and Eddie Briggs, who won the Lieutenant Governor's race, for the outstanding campaigns they conducted. We also had many successes in the local elections as well.

People were elected on the Republican ticket who were running for sheriff, who were running for county board of supervisor positions, who were running for clerks of the court, and all up and down the line in every part of the State there were successful candidates who were elected Tuesday on the Republican ticket in Mississippi. And there were many Democrats who were reelected and some new ones elected. I am not saying that it was a clean sweep by the Republican Party by any means. But it has just been in the last few years that we have seen candidates running for public office as Republicans on the local level.

I have been disappointed by some who point to the Mississippi election and try to explain it as some kind of campaign that was run and rewarded on the basis of racial politics. I have seen a considerable amount of that today in the press and on some television accounts of the election, and I am very distressed by that, Mr. President. That is not an accurate assessment of what happened in Mississippi on Tuesday or the reason for the way the elections turned out in our State on Tuesday.

The candidate for Governor, Kirk Fordice, ran a campaign against career politicians. He ran a campaign based on an anti-incumbent theme: "They've had their chance, now give us our chance." It was that kind of theme and appeal that was successful in the campaign. It was not race baiting. It was not based on the tactics that I have seen alleged by some observers. As a matter of fact, the best account I have seen given of the election, the most objective because it talks about the campaign in all of its aspects, was written in the New York Times today. The dateline is Jackson, MS, and at the conclusion of my remarks, Mr. President, I ask unanimous consent that this article from the New York Times be printed in the RECORD.

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

(See exhibit 1.)

Mr. COCHRAN. Yesterday, I was shocked when I heard the chairman of the National Democratic Party, Ron Brown, in a flippant aside say, "The Republicans ought to be ashamed of that race" in Mississippi. For saying that, Mr. President, Ron Brown should be ashamed of himself.

I know he doesn't know, or he did not know it when he said that, but the elections in Mississippi involved candidates at every level of government.

One of the candidates who sought office in Mississippi on Tuesday on the Republican ticket was Charles Evers. Charles Evers is the former mayor of Fayette, MS, brother of Medgar Evers. I know Ron Brown knows who they are. Charles Evers supported Kirk Fordice for Governor, and it was a lot of the campaign rhetoric that Kirk Fordice and Charles Evers were using together in this campaign that appealed to Mississippi voters. I defy anybody to convince the people in Mississippi that the reason they elected Kirk Fordice was on the basis of racial considerations.

So I rise today also to commend Charles Evers on his successful election as Republican chancery clerk in Jefferson County, MS. He will be one of the first Republicans to win office as chancery clerk anywhere in Mississippi.

I think that is an illustration of how wrong some people can be when they look from Washington, or New York City, or some other distant place, down South and try to interpret, and accuse, and berate, and talk down to the people, and try to excuse some of the things that have happened on the basis of racial considerations.

I am here today to stand before the Senate and tell you that is not why the election was decided as it was in Mississippi on Tuesday. And I predict further that we will continue in our State to try to deal effectively with problems that arise in our communities, and in our towns, and in our schools throughout our State with consideration of what is best for everybody in our State, what is best for every African-American in Mississippi, every white person, every Native American who may live in Mississippi, and we have many who do.

Our policies are going to be based upon, under the administration of this new Republican Governor, Kirk Fordice, what is best for everybody. It may not be what is best for Ron Brown and his political agenda in Washington, or for the Democrats who may want to have that area of the country viewed through their eyes. It may not suit their agenda, but I predict it will suit Mississippi's needs.

EXHIBIT 1

[From the New York Times, Nov. 7, 1991]

MISSISSIPPI: FORDICE SEIZED ANTI-INCUMBENT ANGER

(By Ronald Smothers)

JACKSON, MS, November 6.—An anti-incumbency mood among the electorate and skillful manipulation of racially charged issues were being cited today as the two main factors behind the upset victory of a little-known Republican, Kirk Fordice, over the Democratic incumbent, Gov. Ray Mabus.

But another factor, disenchantment with what has been described as an aloof and distant personal style on the part of Mr. Mabus, helped Mr. Fordice, make election history in Mississippi, said Democrats and Republicans alike. With his victory by a 51-to-47 percent margin, Mr. Fordice becomes the first Republican Governor to be elected since a carpetbagger named Adelbert Ames presided in the statehouse during Reconstruction more than 110 years ago.

In Mississippi, where more than 30 percent of the population is black and politics is increasingly becoming racially polarized, some described Mr. Fordice's oft-repeated opposition to quotas and affirmative action and his calls for workforce rather than welfare as attempts to mobilize people who vote along racial lines.

RACE DIDN'T DOMINATE

But even Mabus supporters conceded that to the extent that this was done, it never came to dominate the campaign. As a result, black voters, who have never been too enthusiastic in their support for Mr. Mabus, said they were not dreading the prospect of a Fordice administration.

"Fordice very effectively exploited divisions and focused on divisive issues," said Mr. Mabus's deputy campaign manager, Tom Oppel, "but he managed to do that without overly inflaming people."

The dominant theme, many officials, analysts and voters said, was the anti-incumbency mood.

The extent to which voters had grown disenchanted with Mr. Mabus could be seen in Alcorn County in northeast Mississippi. Jack Reed, the Republican candidate for governor four years ago who narrowly lost to Mr. Mabus, said that two businessmen in the county, which traditionally votes Democratic and which Mr. Fordice did not visit in the campaign, told him that they disliked Mr. Mabus so much that "they had voted for a man that they didn't know."

He continued, "And these same guys, who I know, wouldn't vote for me four years ago."

The anti-incumbency mood extended to other races in the state as well. Ed Briggs, the Republican candidate for Lieutenant Governor who switched from the Democratic Party last spring, defeated the three-term incumbent, Brad Dye.

But a former Democratic governor, William Waller, cautioned national Republican leaders about reading too much into the vote here. "I don't foresee any dramatic change in philosophy or ideology in state government," he said. "This merely says that incumbency is a burden this year and so is fa-

miliarity. A new man and a new face seems to carry the day."

NOT AN IDEOLOGICAL VICTORY

In an interview after a victory rally here today, the 57-year-old Mr. Fordice, who runs a Vicksburg construction company, conceded as much and refused to label his election as a victory for conservative views and ideology. He pointed out that he had run against professional politicans and incumbents and that he had stressed his experience as a businessman rather than as a government insider.

"I worked twice as hard as Ray Mabus did, and if there is any ideology involved, it is the anti-politician, anti-incumbent feeling. Perhaps that's an ideology in itself."

The election brings to a halt, at least for the time being, the rise of a man who many here called the "Yuppie Governor." Mr. Mabus was 37 when he moved up from state auditor to win the governor's office. His youth, reformist image and Harvard Law School bankground contrasted sharply with the "good ole boy" image of many of the state's past elected officials.

His election four years ago brought a period of great optimism about change in the state as he seemed to attract the conservative young, white professionals that the Democrats had been losing as well as blacks who had been the strength of the party in recent years. Much of the optimism focused on Mr. Mabus's determination to emphasize improvements in education in the state by first raising teachers' salaries and then bringing about broad changes in currriculum, class size and school financing.

Within two years he accomplished his goal of raising salaries. But after initially getting legislative approval for other education initiatives, he was not able to win legislative approval for a state lottery to finance the remainder of his proposals. The stalemate with the legislature was costly and Mr. Mabus, with his refusal to raise taxes or compromise on financing sources, appeared intransigent and arrogant to many.

In the end, observers here said, the same young professionals who invested so much hope in him lost patience and confidence and defected or returned to the Republicans.

Joseph Parker, a political scientist at the University of Southern Mississippi, said that because he was seen as part of the "Chablis and brie crowd," Mr. Mabus distanced himself from "the average white rural Mississippi voter."

"He ended up suffering from an inability to connect with and win the trust of the average voter in rural areas and disappointing the Yuppie voters whose expectations he had raised," said Haley Barbour, the state's Republican National Committeeman.

On the other hand, Mr. Parker said, Mr. Fordice, though a millionaire, was "comfortable at the truck stop," and "people appreciated his rough edges."

In a statement today, Mr. Mabus congratulated Mr. Fordice and said he would discuss his future plans at a news conference on Thursday. The state said today that with returns from 2,079 of the state's 2,101 precincts, Mr. Fordice had 357,083 votes, or 51 percent of the vote, as compared to 334,208, or about 47 percent, for Mr. Mabus.

Mr. Fordice's unexpected victory was not entirely the work of amateurs. It was engineered by a local political consultant, Joe Loyacano, who is a veteran of Republican Congressional campaigns here and in Virginia, and by Marketing Research Institute, a local company, and by Sandler and Innocenzi, a Washington-based advertising concern that usually works for Republican candidates.

In all, the Fordice campaign manager, Jan Rasch, said about $900,000 was spent in the primary and general election campaigns, as compared to Mr. Mabus's $3 million.

The Democratic National Chairman, Ron Brown, said that Mr. Fordice, in winning in Mississippi, had exploited racial issues and fears by trumpeting his opposition to quotas and affirmative action and by criticizing welfare programs that often benefit blacks disproportionately. He compared the approach to that used in Louisiana by David Duke, the former Ku Klux Klan leader and neo-nazi who is in a runoff later this month for Governor.

But Reuben V. Anderson, a lawyer and the first black on the Mississippi Supreme Court, said that Mr. Fordice's campaign style was no more superheated than that of any other conservative Republican.

Mr. CHAFEE. Mr. President, I now ask unanimous consent that the text of the Health Equity and Access Improvement Act be printed in the RECORD at this point.

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

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Equity and Access Improvement Act of 1991".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—TAX INCENTIVES FOR HEALTH CARE ACCESS

Sec. 101. Refundable health expenses tax credit.
Sec. 102. Individual tax deduction for health insurance costs.
Sec. 103. Credit for employers to provide health insurance.
Sec. 104. Deductibility for self-employed individuals.
Sec. 105. Revenue incentives for practice in rural areas.

TITLE II—HEALTH CARE REFORM PROVISIONS

Subtitle A—Model Health Care Insurance Benefits Plan

Sec. 201. Model health care insurance benefits plan.
Sec. 202. Definitions.

Subtitle B—Managed Care

Sec. 211. Development of standards for managed care plans.
Sec. 212. Preemption of provisions relating to managed care.

Subtitle C—Small Employer Purchasing Groups

Sec. 221. Qualified small employer purchasing groups.
Sec. 222. Preemption from insurance mandates for small employer purchasing groups.

Subtitle D—Insurance Market Reform

Sec. 231. Failure to satisfy certain standards for health care insurance provided to small employers.

TITLE III—MEDICAL LIABILITY REFORM

Subtitle A—Definitions and Findings

Sec. 301. Definitions.
Sec. 302. Effect on interstate commerce.

Subtitle B—Expedited Medical Malpractice Settlements

Sec. 311. Expedited medical malpractice settlements.

Subtitle C—Alternative Dispute Resolution Procedures

Sec. 321. Establishment of board of advisors.
Sec. 322. Development of State voluntary dispute resolution procedures.
Sec. 323. Application of existing procedures, rebuttable presumption.

Subtitle D—Uniform Standards for Medical Malpractice Cases

Sec. 331. Application to civil actions.
Sec. 332. Damages.
Sec. 333. Joint and several liability for noneconomic damages.
Sec. 334. Uniform statute of limitations.
Sec. 335. Special protection for obstetricians and gynecologists.

Subtitle E—Uniform Disciplinary Reforms

Sec. 341. Requirement of compliance.
Sec. 342. Funds for State disciplinary activities.
Sec. 343. Membership of State health care practitioner boards.
Sec. 344. Immunity for members of State health care practitioner boards.
Sec. 345. Risk management programs.
Sec. 346. Punitive damages.

Subtitle F—Medical Products

Sec. 351. Limitation on award of punitive damages in product liability actions involving drugs and devices.

Subtitle G—Community Health Centers

Sec. 361. Community and migrant health centers risk retention group.

Subtitle H—Miscellaneous Provisions

Sec. 371. Severability.
Sec. 372. Compliance.

TITLE IV—PUBLIC HEALTH PROVISIONS

Subtitle A—New Basic Health Care Program

Sec. 401. Establishment of BasiCare program.
Sec. 402. GAO study of payments under BasiCare.

Subtitle B—Medicaid Provisions'

Sec. 411. Expansion of medicaid waiver authority.
Sec. 412. Establishment of Federal Medical Waiver Demonstration Board.

TITLE V—MEDICALLY UNDERSERVED AREAS

Subtitle A—Public Health Service Act Provisions

Sec. 501. National Health Service Corps.
Sec. 502. Establishment of grant program.
Sec. 503. Establishment of new program to provide funds to allow federally qualified health centers and other entities or organizations to provide expanded services to medically underserved individuals.
Sec. 504. Rural mental health outreach grants.
Sec. 505. Health professions training.
Sec. 506. Area health education centers.
Sec. 507. Rural health extension networks.
Sec. 508. Rural managed care cooperatives.

Subtitle B—Provision Relating to Social Security

Sec. 511. Rural health care transition grant program.
Sec. 512. Essential access community hospital program.

TITLE VI—INCENTIVES TO ENCOURAGE PREVENTIVE SERVICES
Sec. 601. Preventive services tax credit.
Sec. 602. Increase in authorization for childhood immunizations.
TITLE I—TAX INCENTIVES FOR HEALTH CARE ACCESS

SEC. 101. REFUNDABLE HEALTH EXPENSES TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. HEALTH EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the qualified health expenses paid by such individual during the taxable year.

"(b) QUALIFIED HEALTH EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified health expenses' means amounts paid during the taxable year for medical care (within the meaning of section 213(d)(1)).

"(2) DOLLAR LIMIT ON QUALIFIED HEALTH EXPENSES.—The amount of the qualified health expenses paid during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) $600, in the case of a taxpayer described in section 1(c) or 1(d), and

"(B) $1,200, in the case of any other taxpayer.

For purposes of this paragraph, the rule of section 219(g)(4) shall apply.

"(3) PHASEOUT.—In the case of any taxpayer whose adjusted gross income exceeds $10,000 ($20,000, in the case of a taxpayer described in paragraph (2)(B)), the dollar amounts under paragraph (2) shall be reduced (but not below zero) by an amount equal to 10 percent of such excess.

"(4) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in paragraph (1) not treated as qualified health expenses.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH ADVANCE PAYMENT AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply to any credit to which this section applies.

"(2) SUBSIDIZED EXPENSES.—No expense shall be treated as a qualified health expense if—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) the payment, reimbursement, or subsidy of such expense is not includable in the gross income of the recipient.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF HEALTH EXPENSES CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a health expenses eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's health expenses advance amount.

"(b) HEALTH EXPENSES ELIGIBILITY CERTIFICATE.—For purposes of this title, a health expenses eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 34A for the taxable year,

"(2) certifies that the employee does not have a health expenses eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(3) states whether or not the employee's spouse has a health expenses eligibility certificate in effect, and

"(4) estimates the amount of qualified health expenses (as defined in section 34A(b)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) HEALTH EXPENSES ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'health expenses advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated qualified health expenses included in the health expenses eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(c) TERMINATION OF HEALTH INSURANCE CREDIT.—Section 32 of the Internal Revenue Code of 1986 (relating to earned income credit) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION OF HEALTH INSURANCE CREDIT.—In the case of taxable years beginning after December 31, 1991, the health insurance credit percentage shall be equal to 0 percent.".

(d) CONFORMING AMENDMENT.—Section 213 of the Internal Revenue Code of 1986 (relating to deduction for medical, dental, etc., expenses) is amended by striking subsections (e) and (f) and by inserting the following new subsection:

"(e) COORDINATION WITH HEALTH EXPENSES CREDIT UNDER SECTION 34A.—The amount otherwise taken into account under subsection (a) as expenses paid for medical care shall be reduced by the amount (if any) of the health expenses credit allowable to the taxpayer for the taxable year under section 34A.".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Health expenses.".

(2) The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of health expenses credit.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 102. INDIVIDUAL TAX DEDUCTION FOR HEALTH INSURANCE COSTS.

(a) FULL DEDUCTION ALLOWED.—Subsection (a) of section 213 of the Internal Revenue Code of 1986 (relating to deduction for medical, dental, etc., expenses) is amended to read as follows:

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), there shall be allowed as a deduction the expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, the taxpayer's spouse, or a dependent (as defined in section 152).

"(2) SPECIAL DOLLAR LIMITATION.—Expenses for medical care described in subparagraphs (A) and (B) of subsection (d)(1) shall be taken into account under subsection (a) only to the extent that such expenses exceed 7.5 percent of the taxpayer's adjusted gross income for the taxable year.".

(b) DEDUCTION AVAILABLE FOR NONITEMIZERS.—

(1) IN GENERAL.—Section 213 of the Internal Revenue Code of 1986, as amended by section 101(d), is further amended by adding at the end thereof the following new subsection:

"(f) RULE FOR NONITEMIZATION OF DEDUCTIONS.—In the case of an individual who does not itemize his deductions for the taxable year, the amount allowable under subsection (a) for the taxable year with respect to expenses described in subsection (d)(1)(C) shall be taken into account as a direct health insurance deduction under section 63.".

(2) DEFINITION OF TAXABLE INCOME.—

(A) IN GENERAL.—Section 63(b) of such Code (relating to individuals who do not itemize their deductions) is amended—

(i) by striking "and" at the end of paragraph (1),

(ii) by striking the period at the end of paragraph (2) and inserting ", and", and

(iii) by adding at the end thereof the following new paragraph:

"(3) the direct health insurance deduction.".

(B) DIRECT HEALTH INSURANCE DEDUCTION DEFINED.—Section 63 of such Code (defining taxable income) is amended by adding at the end thereof the following new subsection:

"(h) DIRECT HEALTH INSURANCE DEDUCTION.—For purposes of this section, the term 'direct health insurance deduction' means that portion of the amount allowable under section 213(a) which is taken as a direct health insurance deduction for the taxable year under section 213(f).".

(C) CONFORMING AMENDMENT.—Section 63(d) of such Code (defining itemized deductions) is amended—

(i) by striking "and" at the end of paragraph (1),

(ii) by striking the period at the end of paragraph (2) and inserting ", and", and

(iii) by adding at the end thereof the following new paragraph:

"(3) the direct health insurance deduction.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 103. CREDIT FOR EMPLOYERS TO PROVIDE HEALTH INSURANCE.

(a) ALLOWANCE OF CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (defining general business credit) is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", plus", and by adding at the end thereof the following new paragraph:

"(8) the employer health insurance credit."

(b) EMPLOYER HEALTH INSURANCE CREDIT.—Subpart D of part IV of subchapter A of chapter 1 of such Code (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 45. EMPLOYER HEALTH INSURANCE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the amount of the employer health insurance credit determined under this section for the taxable year is an amount equal to the sum of—

"(1) the small employer basic health insurance credit,

"(2) the managed care credit,

"(3) the dependent coverage credit, and

"(4) the small employer purchasing group health insurance credit.

"(b) DEFINITION OF SMALL EMPLOYER BASIC HEALTH INSURANCE CREDIT, MANAGED CARE CREDIT, DEPENDENT COVERAGE CREDIT, AND SMALL EMPLOYER PURCHASING GROUP HEALTH INSURANCE CREDIT.—

"(1) SMALL EMPLOYER BASIC HEALTH INSURANCE CREDIT.—The small employer basic health insurance credit of any eligible employer which is an eligible small employer is 25 percent of the qualified health care costs of such employer beginning with the first full taxable year in which such employer offers health-care coverage to employees of such employer, reduced (but not below zero percentage) by 5 percentage points for each taxable year thereafter.

"(2) MANAGED CARE CREDIT.—The managed care credit of any eligible employer is 25 percent of the approved managed care plan costs of such employer beginning with the first full taxable year in which such employer offers an approved managed care plan (within the meaning of section 162(m)(3)(B)) to employees of such employer for the taxable year, reduced (but not below zero percent) by 5 percentage points for each taxable year thereafter.

"(3) DEPENDENT COVERAGE CREDIT.—The dependent coverage credit of any eligible employer is 25 percent of the qualified dependent coverage costs of such employer beginning with the first full taxable year in which such employer offers health-care coverage to dependents of employees of such employer for the taxable year, reduced (but not below zero percent) by 5 percentage points for each taxable year thereafter.

"(4) SMALL EMPLOYER PURCHASING GROUP HEALTH INSURANCE CREDIT.—The small employer purchasing group health insurance credit of any eligible small employer which is a member of a qualified small employer purchasing group is 20 percent of the qualified health care costs of such employer for the taxable year.

"(c) ELIGIBLE EMPLOYER.—An employer is eligible for a small employer basic health insurance credit, managed care credit, and dependent coverage credit under this section if such employer (or any predecessor employer) has never provided health-care coverage, an approved managed care plan, or dependent coverage for its employees (as the case may be) at any time before the calendar year in which occurs the first full taxable year described in paragraphs (1), (2), or (3) of subsection (b), respectively.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED HEALTH CARE COSTS.—The term 'qualified health care costs' means the amounts paid by the employer for health-care coverage of its employees.

"(2) APPROVED MANAGED CARE PLAN COSTS.—

"(A) IN GENERAL.—The term 'approved managed care plan costs' means the amounts paid by the employer for an approved managed care plan for the employees of such employer.

"(B) APPROVED MANAGED CARE PLAN.—The term 'approved managed care plan' means a managed care plan meeting the requirements of section 202(2) of the Health Equity and Access Improvement Act of 1991.".

"(3) QUALIFIED DEPENDENT COVERAGE COSTS.—The term 'qualified dependent coverage costs' means the amounts paid by the employer for health-care coverage of the dependents of employees of such employer.

"(4) ELIGIBLE SMALL EMPLOYER.—

"(A) IN GENERAL.—The term 'eligible small employer' means any person—

"(i) which, on an average business day during the preceding taxable year, had more than 2 but less than 100 employees, and

"(ii) at least 60 percent of the employees of which during the taxable year received health-care coverage described in paragraph (1).

"(B) AGGREGATION RULES.—All members of the same controlled group of corporations (within the meaning of section 52(a)) and all persons under common control (within the meaning of section 52(b)) shall be treated as 1 person.

"(C) EMPLOYEE.—The term 'employee' shall not include—

"(i) a self-employed individual as defined in section 401(c)(1), or

"(ii) an employee who works less than 20 hours per week.

"(5) QUALIFIED SMALL EMPLOYER PURCHASING GROUP.—The term 'qualified small employer purchasing group' has the meaning given such term by section 221(a) of the Health Equity and Access Improvement Act of 1991.

"(e) COORDINATION WITH DEDUCTION.—No deduction shall be allowable under this chapter for any qualified health care costs taken into account in computing the amount of the credit under section 38.".

(c) CONFORMING AMENDMENT.—Section 39(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) NO CARRYBACK OF EMPLOYER HEALTH INSURANCE CREDIT BEFORE 1992.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45(a) (relating to employer health insurance credit) may be carried to a taxable year beginning before January 1, 1992.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 104. DEDUCTIBILITY FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "25 percent of".

(b) DEDUCTION MADE PERMANENT.—Section 162(l) of the Internal Revenue Code of 1986 is amended by striking paragraph (6).

(c) CONFORMING AMENDMENT.—Subparagraph (B) of section 162(l)(3) of the Internal Revenue Code of 1986 (relating to coordination with medical deduction, etc.) is amended—

(1) by striking "health insurance credit" and inserting "health expenses credit and employer health insurance credit",

(2) by striking "section 32" and inserting "section 34A with respect to such insurance and section 38, respectively", and

(3) by striking "CREDIT" in the heading thereof and inserting "CREDITS".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 105. REVENUE INCENTIVES FOR PRACTICE IN RURAL AREAS.

(a) NONREFUNDABLE CREDIT FOR CERTAIN PRIMARY HEALTH SERVICES PROVIDERS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. PRIMARY HEALTH SERVICES PROVIDERS.

"(a) ALLOWANCE OF CREDIT.—In the case of a qualified primary health services provider, there is allowed as a credit against the tax imposed by this chapter for any taxable year in a mandatory service period an amount equal to the product of—

"(1) the lesser of—

"(A) the number of months of such period occurring in such taxable year, or

"(B) 36 months, reduced by the number of months taken into account under this paragraph with respect to such provider for all preceding taxable years (whether or not in the same mandatory service period), multiplied by

"(2) $1,000 ($500 in the case of a qualified health services provider who is a physician assistant or a nurse practitioner).

"(b) QUALIFIED PRIMARY HEALTH SERVICES PROVIDER.—For purposes of this section, the term 'qualified primary health services provider' means any physician, physician assistant, or nurse practitioner who for any month during a mandatory service period is certified by the Bureau to be a primary health services provider who—

"(1) is providing primary health services—

"(A) full time, and

"(B) to individuals at least 80 percent of whom residein a rural health professional shortage area,

"(2) is not receiving during such year a scholarship under the National Health Service Corps Scholarship Program or a loan repayment under the National Health Service Corps Loan Repayment Program,

"(3) is not fulfilling service obligations under such Programs, and

"(4) has not defaulted on such obligations.

"(c) MANDATORY SERVICE PERIOD.—For purposes of this section, the term 'mandatory service period' means the period of 60 consecutive calendar months beginning with the first month the taxpayer is a qualified primary health services provider.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) BUREAU.—The term 'Bureau' means the Bureau of Health Care Delivery and Assistance, Health Resources and Services Administration of the United States Public Health Service.

"(2) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r) of the Social Security Act.

"(3) PHYSICIAN ASSISTANT; NURSE PRACTITIONER.—The terms 'physician assistant' and

'nurse practitioner' have the meanings given to such terms by section 1861(aa)(3) of the Social Security Act.

"(4) PRIMARY HEALTH SERVICES PROVIDER.—The term 'primary health services provider' means a provider of primary health services (as defined in section 330(b)(1) of the Public Health Service Act).

"(5) RURAL HEALTH PROFESSIONAL SHORTAGE AREA.—The term 'rural health professional shortage area' means—

"(A) a class 1 or class 2 health professional shortage area (as defined in section 332(a)(1)(A) of the Public Health Service Act) in a rural area (as determined under section 1886(d)(2)(D) of the Social Security Act), or

"(B) an area which is determined by the Secretary of Health and Human Services as equivalent to an area described in subparagraph (A) and which is designated by the Bureau of the Census as not urbanized.

"(e) RECAPTURE OF CREDIT.—

"(1) IN GENERAL.—If, during any taxable year, there is a recapture event, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable percentage, and

"(B) the aggregate unrecaptured credits allowed to such taxpayer under this section for all prior taxable years.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs during:	The applicable recapture percentage is:
Months 1–24	100
Months 25–36	75
Months 37–48	50
Months 49–60	25
Months 61 and thereafter	0.

"(B) TIMING.—For purposes of subparagraph (A), month 1 shall begin on the first day of the mandatory service period.

"(3) RECAPTURE EVENT DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'recapture event' means the failure of the taxpayer to be a qualified primary health services provider for any month during any mandatory service period.

"(B) CESSATION OF DESIGNATION.—The cessation of the designation of any area as a rural health professional shortage area after the beginning of the mandatory service period for any taxpayer shall not constitute a recapture event.

"(C) SECRETARIAL WAIVER.—The Secretary may waive any recapture event caused by extraordinary circumstances.

"(4) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.".

(2) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Primary health services providers.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1991.

(b) NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS.

"(a) GENERAL RULE.—Gross income shall not include any qualified loan repayment.

"(b) QUALIFIED LOAN REPAYMENT.—For purposes of this section, the term 'qualified loan repayment' means any payment made on behalf of the taxpayer by the National Health Service Corps Loan Repayment Program under section 338B(g) of the Public Health Service Act.".

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 338B(g) of the Public Health Service Act is amended by striking "Federal, State, or local" and inserting "State or local".

(3) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 136 and inserting the following:

"Sec. 136. National Health Service Corps loan repayments.

"Sec. 137. Cross references to other Acts.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made under section 338B(g) of the Public Health Service Act after the date of the enactment of this Act.

(c) EXPENSING OF MEDICAL EQUIPMENT.—

(1) IN GENERAL.—Section 179 of the Internal Revenue Code of 1986 (relating to election to expense certain depreciable business assets) is amended—

(A) by striking paragraph (1) of subsection (b) and inserting the following:

"(1) DOLLAR LIMITATION.—

"(A) GENERAL RULE.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $10,000.

"(B) RURAL HEALTH CARE PROPERTY.—In the case of rural health care property, the aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000, reduced by the amount otherwise taken into account under subsection (a) for such year."; and

(B) by adding at the end of subsection (d) the following new paragraph:

"(11) RURAL HEALTH CARE PROPERTY.—For purposes of this section, the term 'rural health care property' means section 179 property used by a physician (as defined in section 1861(r) of the Social Security Act) in the active conduct of such physician's full-time trade or business of providing primary health services (as defined in section 330(b)(1) of the Public Health Service Act) in a rural health professional shortage area (as defined in section 25A(d)(5)).".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 1991, in taxable years ending after such date.

(d) DEDUCTION FOR STUDENT LOAN PAYMENTS BY MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

(1) INTEREST ON STUDENT LOANS NOT TREATED AS PERSONAL INTEREST.—Section 163(h)(2) of the Internal Revenue Code of 1986 (defining personal interest) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(F) any qualified medical education interest (within the meaning of subsection (k)).".

(2) QUALIFIED MEDICAL EDUCATION INTEREST DEFINED.—Section 163 of such Code (relating to interest expenses) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) QUALIFIED MEDICAL EDUCATION INTEREST OF MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

"(1) IN GENERAL.—For purposes of subsection (h)(2)(F), the term 'qualified medical education interest' means an amount which bears the same ratio to the interest paid on qualified educational loans during the taxable year by an individual performing services under a qualified rural medical practice agreement as—

"(A) the number of months during the taxable year during which such services were performed, bears to

"(B) the number of months in the taxable year.

"(2) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified medical education interest for any taxable year with respect to any individual shall not exceed $5,000.

"(3) QUALIFIED RURAL MEDICAL PRACTICE AGREEMENT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified rural medical practice agreement' means a written agreement between an individual and an applicable rural community under which the individual agrees—

"(i) in the case of a medical doctor, upon completion of the individual's residency (or internship if no residency is required), or

"(ii) in the case of a registered nurse, nurse practitioner, or physician's assistant, upon completion of the education to which the qualified education loan relates,

to perform full-time services as such a medical professional in the applicable rural community for a period of 24 consecutive months. An individual and an applicable rural community may elect to have the agreement apply for 36 consecutive months rather than 24 months.

"(B) SPECIAL RULE FOR COMPUTING PERIODS.—An individual shall be treated as meeting the 24 or 36 consecutive month requirement under subparagraph (A) if, during each 12-consecutive month period within either such period, the individual performs full-time services as a medical doctor, registered nurse, nurse practitioner, or physician's assistant, whichever applies, in the applicable rural community during 9 of the months in such 12-consecutive month period. For purposes of this subsection, an individual meeting the requirements of the preceding sentence shall be treated as performing services during the entire 12-month period.

"(C) APPLICABLE RURAL COMMUNITY.—The term 'applicable rural community' means—

"(i) any political subdivision of a State which—

"(I) has a population of 5,000 or less, and

"(II) has a per capita income of $15,000 or less, or

"(ii) an Indian reservation which has a per capita income of $15,000 or less.

"(4) QUALIFIED EDUCATIONAL LOAN.—The term 'qualified educational loan' means any indebtedness to pay qualified tuition and related expenses (within the meaning of section 117(b)) and reasonable living expenses—

"(A) which are paid or incurred—

"(i) as a candidate for a degree as a medical doctor at an educational institution described in section 170(b)(1)(A)(ii), or

"(ii) in connection with courses of instruction at such an institution necessary for cer-

tification as a registered nurse, nurse practitioner, or physician's assistant, and

"(B) which are paid or incurred within a reasonable time before or after such indebtedness is incurred.

"(5) RECAPTURE.—If an individual fails to carry out a qualified rural medical practice agreement during any taxable year, then—

"(A) no deduction with respect to such agreement shall be allowable by reason of subsection (h)(2)(F) for such taxable year and any subsequent taxable year, and

"(B) there shall be included in gross income for such taxable year the aggregate amount of the deductions allowable under this section (by reason of subsection (h)(2)(F)) for all preceding taxable years.

"(6) DEFINITIONS.—For purposes of this subsection, the terms 'registered nurse', 'nurse practitioner', and 'physician's assistant' have the meaning given such terms by section 1861 of the Social Security Act.".

(3) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is amended by inserting after paragraph (13) the following new paragraph:

"(14) INTEREST ON STUDENT LOANS OF RURAL HEALTH PROFESSIONALS.—The deduction allowable by reason of section 163(h)(2)(F) (relating to student loan payments of medical professionals practicing in rural areas).".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1991.

TITLE II—HEALTH CARE REFORM PROVISIONS

Subtitle A—Model Health Care Insurance Benefits Plan

SEC. 201. MODEL HEALTH CARE INSURANCE BENEFITS PLAN.

(a) IN GENERAL.—The Secretary shall request that the NAIC—

(1) develop a model health care insurance benefits plan that shall contain standards that entities offering health care insurance policies should meet with respect to the benefits and coverage provided under such policies, and

(2) report to the Secretary on such standards, not later than 1 year after the date of enactment of this Act.

If the NAIC develops such a plan by such date and the Secretary finds that such plan implements the requirements of subsection (c), such plan shall be the model health care insurance benefits plan under this Act.

(b) ROLE OF THE SECRETARY IN ABSENCE OF NAIC PLAN.—If the NAIC fails to develop and report a model health care insurance benefits plan by the date specified in subsection (a) or the Secretary finds that such plan does not implement the requirements of subsection (c), the Secretary shall develop and publish such a plan, by not later than eighteen months after the date of enactment of this Act. Such plan shall then be the plan under this Act.

(c) CONTENTS.—The standards under the model benefits plan should require—

(1) that coverage be provided under health care insurance policies for basic hospital, medical and surgical services, including preventative care services determined appropriate by the Secretary;

(2) reasonable cost sharing by the beneficiaries under such policies; and

(3) appropriate copayments and deductibles.

SEC. 202. DEFINITIONS.

As used in this title:

(1) HEALTH CARE INSURANCE.—The term "health care insurance" means any hospital or medical expense incurred policy or certificate, hospital or medical service plan contract, health maintenance subscriber contract, multiple employer welfare arrangement, other employee welfare plan (as defined in the Employee Retirement Income Security Act of 1974), or any other health insurance arrangement, and includes an employment-related reinsurance plan, but does not include—

"(A) a self-insured health care insurance plan; or

"(B) any of the following offered by an insurer—

"(i) accident only, dental only, or disability income only insurance,

"(ii) coverage issued as a supplement to liability insurance,

"(iii) worker's compensation or similar insurance, or

"(iv) automobile medical-payment insurance."

(2) MANAGED CARE PLAN.—The term "managed care plan" means a health care insurance plan in which the insurer offering such plan utilizes the standards recommended under section 211 concerning the benefits and coverage under such plan.

(3) MODEL BENEFITS PLAN.—The term "model benefits plan" means the model health care insurance benefits plan developed under section 201(a).

(4) NAIC.—The term "NAIC" means the National Association of Insurance Commissioners.

(5) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(6) SMALL EMPLOYER.—

(A) IN GENERAL.—The term "small employer" means any employer which, on an average business day during the preceding taxable year, had more than 2 but less than 100 employees.

(B) EMPLOYEE.—The term "employee" shall not include—

(i) a self-employed individual as defined in section 401(c)(1) of the Internal Revenue Code of 1986, or

(ii) an employee who works less than 20 hours per week.

Subtitle B—Managed Care

SEC. 211. DEVELOPMENT OF STANDARDS FOR MANAGED CARE PLANS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, taking into account recommendations of the Managed Care Advisory Committee, shall develop recommended standards that insurers offering managed care plans should meet with respect to the benefits, coverage, and delivery systems provided under such plans. Such standards shall encompass the standards by which managed care entities operate.

(b) MANAGED CARE ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—There shall be established a Managed Care Advisory Committee (hereinafter referred to as the "Committee").

(2) MEMBERSHIP.—The Committee shall be composed of 5 members appointed by the Secretary, each member representing 1 of the following areas:

(A) Health care professionals.

(B) Managed care industry.

(C) Academia (with specific expertise in managed care plans).

(D) Business management.

(E) Organized labor.

(3) COMPENSATION.—

(A) IN GENERAL.—Members of the Committee shall serve without compensation.

(B) EXPENSES, ETC., REIMBURSED.—While away from their homes or regular places of business on the business of the Committee, the members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

(C) APPLICATION OF ACT.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Committee.

(D) SUPPORT.—The Secretary shall supply such necessary office facilities, office supplies, support services, and related expenses as necessary to carry out the functions of the Committee.

SEC. 212. PREEMPTION OF PROVISIONS RELATING TO MANAGED CARE.

In the case of a managed care plan meeting the recommended standards under section 211 that is offered by an insurer, the following provisions of State law are preempted and may not be enforced against the managed care plan with respect to an insurer offering such plan:

(1) RESTRICTIONS ON REIMBURSEMENT RATES OR SELECTIVE CONTRACTING.—Any law that restricts the ability of the insurer to negotiate reimbursement rates with health care providers or to contract selectively with one provider or a limited number of providers.

(2) RESTRICTIONS ON DIFFERENTIAL FINANCIAL INCENTIVES.—Any law that limits the financial incentives that the managed care plan may require a beneficiary to pay when a non-plan provider is used on a non-emergency basis.

(3) RESTRICTIONS ON UTILIZATION REVIEW METHODS.—

(A) IN GENERAL.—Any law that—

(i) prohibits utilization review of any or all treatments and conditions;

(ii) requires that such review be made by a resident of the State in which the treatment is to be offered or by an individual licensed in such State, or by a physician in any particular specialty or with any board certified specialty of the same medical specialty as the provider whose services are being rendered;

(iii) requires the use of specified standards of health care practice in such review or requires the disclosure of the specific criteria used in such review;

(iv) requires payments to providers for the expenses of responding to utilization review requests; or

(v) imposes liability for delays in performing such review.

(B) CONSTRUCTION.—Nothing in subparagraph (A)(ii) shall be construed as prohibiting a State from requiring that utilization review be conducted by a licensed health care professional, or requiring that any appeal from such a review be made by a licensed physician or by a licensed physician in any particular specialty or with any board certified specialty of the same medical specialty as the provider whose services are being rendered.

(4) RESTRICTIONS ON BENEFITS.—Any law that mandates benefits under the managed care plan that are greater that the benefits recommended under the standards developed under section 211.

Subtitle C—Small Employer Purchasing Groups

SEC. 221. QUALIFIED SMALL EMPLOYER PURCHASING GROUPS.

(a) DEFINED.—For purposes of this title, an entity is a qualified small employer purchasing group if—

(1) the entity submits an application to the Secretary at such time, in such form and

containing such information as the Secretary may require; and

(2) on the basis of information contained in the application and any other information the Secretary may require, the Secretary determines that—

(A) the entity is administered solely under the authority and control of its member employers;

(B) the membership of the entity consists solely of small employers (except that an employer member of the group may retain its membership in the group if, after the Secretary determines that the entity meets the requirements of this subsection, the number of employees of the employer member increases to more than 100);

(C) with respect to each State in which its members are located, the entity consists of not fewer than 100 employers;

(D) at the time the entity submits its application, the health care insurance plans with respect to the employer members of the entity are in compliance with applicable State laws and the model benefits plan relating to such plans;

(E) the health care insurance plans of the entity and the employer members of the entity are not self-insured plans;

(F) each enrollee in the program of the entity may enroll with any participating carrier that offers health care insurance coverage in the geographic area in which the enrollee resides; and

(G) such entity will be a nonprofit entity; and

(3) such entity has a board of directors as described in subsection (b) with authority to act as described in subsection (c).

(b) OPERATIONS.—A small employer purchasing group shall be administered by a board of directors. The members of such board shall be elected by the employers that are members of the group, and such board members shall serve at the pleasure of the majority of such employers.

(c) DUTIES OF BOARD.—

(1) IN GENERAL.—The board shall have the authority to—

(A) enter into contracts with carriers to provide health care insurance coverage to eligible employees and their dependents;

(B) enter into other contracts as are necessary or proper to carry out the provisions of this subtitle;

(C) employ necessary staff;

(D) appoint committees as necessary to provide technical assistance in the operation of the entity's program;

(E) assess participating employers a reasonable fee for necessary costs in connection with the program;

(F) undertake activities necessary to administer the program including marketing and publicizing the program and assuring carrier, employer, and enrollee compliance with program requirements;

(G) issue rules and regulations necessary to carry out the purpose of this subtitle; and

(H) accept and expend funds received through fees, grants, appropriations, or other appropriate and lawful means.

(2) PROGRAM MANAGEMENT.—

(A) GEOGRAPHIC AREAS OF COVERAGE.—The board shall establish geographic areas within which participating carriers may offer health care insurance coverage to eligible employees and dependents. The board shall contract with sufficient numbers and types of carriers in an area to assure that employees have a choice from among a reasonable number and type of competing health care insurance carriers.

(B) CONTRACT REQUIREMENTS.—

(i) IN GENERAL.—The board shall enter into contracts with qualified carriers for the purpose of providing health care insurance coverage to eligible employees and dependents, and shall pay qualified carriers on at least a monthly basis at the contracted rates.

(ii) GENERAL QUALIFICATIONS OF CARRIERS.—Participating carriers shall be qualified if such carriers have—

(I) adequate administrative management,

(II) financial solvency, and

(III) the ability to assume the risk of providing and paying for covered services.

A participating carrier may utilize reinsurance, provider risk sharing, and other appropriate mechanisms to share a portion of the risk described in subclause (III). The board may establish risk adjustment mechanisms that can be utilized to address circumstances where a participating carrier has a significantly disproportionate share of high risk or low risk enrollees based upon valid data provided by carrier. Any such risk adjustment mechanism may be developed and applied only after consultation with the participating carriers.

(C) PROGRAM STANDARDS.—The board shall require that participating carriers that contract with or employ health care providers shall have mechanisms to accomplish at least the following, satisfactory to the program:

(i) Review the quality of care covered.

(ii) Review the appropriateness of care covered.

(iii) Provide accessible health services.

(D) UNIFORMITY OF BENEFITS.—The board shall assure that participating carriers—

(i) shall offer substantially similar benefits to enrollees in the program, except that enrollees cost sharing required by participating carriers may vary according to the basic method of operation of the carrier, and

(ii) shall not vary rates to small employers or enrollees in the program on account of claim experience, health status or duration from issue.

(E) PAYMENT MECHANISM.—The board shall establish a mechanism to collect premiums from small employers, including remittance of the enrollee's share of the premium.

(3) NOTIFICATION OF PROGRAM BENEFITS.—The board shall use appropriate and efficient means to notify employers of the availability of sponsored health care insurance coverage from the program. The board shall make available marketing materials which accurately summarize the carriers' insurance plans and rates which are offered through the program. A participating carrier may contract with an agent or broker to provide marketing, advertising, or presentation proposals or otherwise disseminate information regarding coverage or services or rates offered in connection with the program.

(4) CONDITIONS OF PARTICIPATION.—

(A) IN GENERAL.—The board shall establish conditions of participation for small employers and enrollees that—

(i) assure that the entity is a valid small employer purchasing group and is not formed for the purpose of securing health care insurance coverage;

(ii) assure that individuals in the group are not added for the purpose of securing such coverage;

(iii) require that a specified percentage of employees and dependents obtain health care insurance coverage;

(iv) require minimum employer contributions; and

(v) require prepayment of premiums or other mechanisms to assure that payment will be made for coverage.

(B) MINIMUM PARTICIPATION.—The board may require participating employers to agree to participate in the program for a specified minimum period of time and may include in any participation agreements with employers a requirement for a financial deposit or provision for a financial penalty, which would be invoked in the event the employer violates the participation agreement.

(d) GRANTS.—

(1) AUTHORITY.—The Secretary may award grants to qualified small employer purchasing groups to assist such groups in paying the expenditures associated with the formation and initial operations of such groups.

(2) APPLICATION.—To be eligible to receive a grant under this subsection, a qualified small employer purchasing group shall request such a grant as part of the application submitted by such group under subsection (a)(1).

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to award grants under this subsection, such sums as may be necessary.

(e) FREEDOM OF CONTRACT.—Nothing in this subtitle shall be construed to prohibit a participating carrier from offering health care insurance coverage to small employers that are not participating in the program of a small employer purchasing group.

SEC. 222. PREEMPTION FROM INSURANCE MANDATES FOR SMALL EMPLOYER PURCHASING GROUPS.

(a) FINDING.—Congress finds that qualified small employer purchasing groups organized for the purpose of obtaining health insurance for the employer members of such groups affect interstate commerce.

(b) PREEMPTION OF STATE MANDATES.—In the case of a qualified small employer purchasing group, no provision of State law shall apply that requires the offering, as part of the health care insurance plan with respect to an employer member of such a group, of any services, category of care, or services of any class or type of provider that is in excess of that recommended under the model benefit plan.

Subtitle D—Insurance Market Reform

SEC. 231. FAILURE TO SATISFY CERTAIN STANDARDS FOR HEALTH CARE INSURANCE PROVIDED TO SMALL EMPLOYERS.

(a) IN GENERAL.—Subchapter L of chapter 1 of the Internal Revenue Code of 1986 (relating to insurance companies) is amended by adding at the end thereof the following new part:

"PART IV—HEALTH CARE INSURANCE PROVIDED TO SMALL EMPLOYERS

"Sec. 850. Failure to satisfy standards for health care insurance of small employers.

"Sec. 850A. General issuance requirements.

"Sec. 850B. Specific contractual requirements.

"Sec. 850C. State compliance agreements.

"Sec. 850D. Definitions and other rules.

"SEC. 850. FAILURE TO SATISFY CERTAIN STANDARDS FOR HEALTH CARE INSURANCE OF SMALL EMPLOYERS.

"(a) GENERAL RULE.—No health insurance contract issued to an eligible small employer shall be treated as a contract for purposes of section 807 or 832 if the issuer of such a contract fails to meet at any time during any taxable year—

"(1) the general issuance requirements of section 850A, or

"(2) the specific contractual requirements of section 850B.

"(b) LIMITATION.—

"(1) SECTION NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—Subsection (a) shall not apply with respect to any failure for which it is established to the satisfaction of the Secretary that the person described in such subsection did not know, or exercising reasonable diligence would not have known, that such failure existed.

"(2) SECTION NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—Subsection (a) shall not apply with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the persons described in such subsection knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive the application of subsection (a).

"SEC. 850A. GENERAL ISSUANCE REQUIREMENTS.

"(a) GENERAL RULE.—The requirements of this section are met if a person meets—

"(1) the mandatory policy requirements of subsection (b),

"(2) the guaranteed issue requirements of subsection (c), and

"(3) the mandatory registration and disclosure requirements of subsection (d).

"(b) MANDATORY POLICY REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if any person issuing a health care insurance contract to any eligible small employer makes available to such employer a health care insurance contract which—

"(A) provides benefits and coverage consistent with the model health care insurance benefits plan developed under section 201 of the Health Equity and Access Improvement Act of 1991, and

"(B) is for a term of not less than 12 months.

"(2) PRICING AND MARKETING REQUIREMENTS.—The requirements of paragraph (1) are not met unless—

"(A) the price at which the contract described in paragraph (1) is made available is not greater than the price for such contract determined on the same basis as prices for other health care insurance contracts within the same class of business made available by the person to eligible small employers, and

"(B) such contract is made available to eligible small employers using at least the marketing methods and other sales practices which are used in selling such other contracts.

"(c) GUARANTEED ISSUE.—

"(1) IN GENERAL.—The requirements of this subsection are met if the person offering health care insurance contracts to eligible small employers issues such a contract to any eligible small employer seeking to enter into such a contract.

"(2) FINANCIAL CAPACITY EXCEPTION.—Paragraph (1) shall not require any person to issue a health care insurance contract to the extent that the issuance of such contract would result in such person violating the financial solvency standards (if any) established by the State in which such contract is to be issued.

"(3) DELIVERY CAPACITY EXCEPTION.—Paragraph (1) shall not require any person to issue a health care insurance contract to the extent that the issuance of such contract would result, upon demonstration to the Secretary, in such person exceeding its administrative capacity to serve previously enrolled groups and individuals (and additional individuals who will be expected to enroll because of affiliation with such previously enrolled groups)

"(4) EXCEPTION FOR CERTAIN EMPLOYERS.—Paragraph (1) shall not apply to a failure to issue a health care insurance contract to an eligible small employer if—

"(A) such employer is unable to pay the premium for such contract, or

"(B) in the case of an eligible small employer with fewer than 15 employees, such employer fails to enroll a minimum percentage of the employer's eligible employees for coverage under such contract, so long as such percentage is enforced uniformly for all eligible small employers of comparable size.

"(5) EXCEPTION FOR ALTERNATIVE STATE PROGRAMS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply if the State in which the health care insurance contract is issued—

"(i) has a program which—

"(I) assures the availability of health care insurance contracts to eligible small employers through the equitable distribution of high risk groups among all persons offering such contacts to such employers, and

"(II) is consistent with a model program developed by the NAIC;

"(ii) has a qualified State-run reinsurance program, or

"(iii) has a program which the Secretary of Health and Human Services has determined assures all eligible small employers in the State an opportunity to purchase a health care insurance contract without regard to any risk characteristic.

"(B) REINSURANCE PROGRAM.—

"(i) PROGRAM REQUIREMENTS.—For purposes of subparagraph (A)(ii), a State-run reinsurance program is qualified if such program is one of the NAIC reinsurance program models developed under clause (ii) or is a variation of one of such models, as approved by the Secretary of Health and Human Services.

"(ii) MODELS.—Not later than the 120 days after the date of the enactment of the Health Equity and Access Improvement Act of 1991, the NAIC shall develop several models for a reinsurance program, including options for program funding.

"(d) MANDATORY REGISTRATION AND DISCLOSURE REQUIREMENTS.—The requirements of this subsection are met if the person offering health care insurance contracts to eligible small employers in any State—

"(1) registers with the State commissioner or superintendent of insurance or other State authority responsible for regulation of health insurance,

"(2) fully discloses the rating practices for small employer health care insurance contracts at the time such person offers a health care insurance contract to an eligible small employer, and

"(3) fully discloses the terms for renewal of the contract at the time of the offering of such contract and at least 90 days before the expiration of such contract.

"SEC. 850B. SPECIFIC CONTRACTUAL REQUIREMENTS.

"(a) GENERAL RULE.—The requirements of this section are met if the following requirements are met:

"(1) The coverage requirements of subsection (b).

"(2) The rating requirements of subsection (c).

"(b) COVERAGE REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met with respect to any health care insurance contract if, under the terms and operation of the contract, the following requirements are met:

"(A) GUARANTEED ELIGIBILITY.—No eligible employee (and the spouse or any dependent child of the employee eligible for coverage) may be excluded from coverage under the contract.

"(B) LIMITATIONS ON COVERAGE OF PREEXISTING CONDITIONS.—Any limitation under the contract on any preexisting condition—

"(i) may not extend beyond the 6-month period beginning with the date an insured is first covered by the contract, and

"(ii) may only apply to preexisting conditions which manifested themselves, or for which medical care or advice was sought or recommended, during the 3-month period preceding the date an insured is first covered by the contract.

"(C) GUARANTEED RENEWABILITY.—

"(i) IN GENERAL.—The contract must be renewed at the election of the eligible small employer unless the contract is terminated for cause.

"(ii) CAUSE.—For purposes of this subparagraph, the term 'cause' means—

"(I) nonpayment of the required premiums;

"(II) fraud or misrepresentation of the employer or, with respect to coverage of individual insureds, the insureds or their representatives;

"(III) noncompliance with the contract's minimum participation requirements;

"(IV) noncompliance with the contract's employer contribution requirements; or

"(V) repeated misuse of a provider network provision in the contract.

"(2) WAITING PERIODS.—Paragraph (1)(A) shall not apply to any period an employee is excluded from coverage under the contract solely by reason of a requirement applicable to all employees that a minimum period of service with the employer is required before the employee is eligible for such coverage.

"(3) DETERMINATION OF PERIODS FOR RULES RELATING TO PREEXISTING CONDITIONS.—For purposes of paragraph (1)(B), the date on which an insured is first covered by a contract shall be the earlier of—

"(A) the date on which coverage under such contract begins, or

"(B) the first day of any continuous period—

"(i) during which the insured was covered under 1 or more other health insurance arrangements, and

"(ii) which does not end more than 120 days before the date employment with the employer begins.

"(4) CESSATION OF SMALL EMPLOYER HEALTH INSURANCE BUSINESS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, a person shall not be treated as failing to meet the requirements of paragraph (1)(C) if such person terminates the class of business which includes the health care insurance contract.

"(B) NOTICE REQUIREMENT.—Subparagraph (A) shall apply only if the person gives notice of the decision to terminate at least 90 days before the expiration of the contract.

"(C) 5-YEAR MORATORIUM.—If, within 5 years of the year in which a person terminates a class of business under subparagraph (A), such person establishes a new class of business, the issuance of such contracts in that year shall be treated as a failure to which this section applies.

"(D) TRANSFERS.—If, upon a failure to renew a contract to which subparagraph (A) applies, a person offers to transfer such contract to another class of business, such transfer must be made without regard to risk characteristics.

"(c) RATING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if—

"(A) the requirements of paragraphs (2) and (3) are met, and

"(B) any increase in any premium rate under the renewal contract over the corresponding rate under the health care insurance contract being renewed does not exceed the applicable annual adjusted increase.

"(2) LIMIT ON VARIATION OF PREMIUMS BETWEEN CLASSES OF BUSINESS.—

"(A) IN GENERAL.—The requirements of this paragraph are met if the index rate for a rating period for any class of business of the insurer does not exceed the index rate for any other class of business by more than 20 percent.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to a class of business if—

"(i) the class is one for which the insurer does not reject, and never has rejected, eligible small employers included within the class of business or otherwise eligible employees and dependents who enroll on a timely basis, based upon risk characteristics,

"(ii) the insurer does not transfer, and never has transferred, a health care insurance contract involuntarily into or out of the class of business, and

"(iii) the class of business is currently available for purchase.

"(3) LIMIT ON VARIATION IN PREMIUM RATES WITHIN A CLASS OF BUSINESS.—The requirements of this paragraph are met if the premium rates charged during a rating period to eligible small employers with similar case characteristics (other than risk characteristics) for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, do not vary from the index rate by more than 20 percent of the index rate.

"(4) APPLICABLE ANNUAL ADJUSTED INCREASE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—The applicable annual adjusted increase is an amount equal to the sum of—

"(i) the applicable percentage of the premium rate under the health care insurance contract being renewed, plus

"(ii) any increase in the rate under the renewal contract due to any change in coverage or to any change of case characteristics (other than risk characteristics), plus

"(iii) 5 percentage points.

"(B) APPLICABLE PERCENTAGE.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the applicable percentage is the percentage (if any) by which—

"(I) the premium rate for newly issued contracts for substantially similar coverage for an employer with similar case characteristics (other than risk characteristics) as the employer under the health care insurance contract (determined on the 1st day of the rating period applicable to such contracts), exceeds

"(II) such rate on the 1st day of the rating period applicable to the contract being renewed.

"(ii) CASES WHERE NO NEW BUSINESS.—If no new contracts are being issued for a class of business during any rating period, the applicable percentage shall be the percentage (if any) by which the base premium rate determined under paragraph (5)(B) with respect to the renewal contract exceeds such rate for the contract to be renewed.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) INDEX RATE.—The term 'index rate' means, with respect to a class of business, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate for that class.

"(B) BASE PREMIUM RATE.—The term 'base premium rate' means, for each class of business for each rating period, the lowest premium rate which could have been charged under a rating system for that class of business by the insurer to eligible small employers with similar case characteristics (other than risk characteristics) for health care insurance contracts with the same or similar coverage.

"SEC. 850C. STATE COMPLIANCE AGREEMENTS.

"(a) AGREEMENTS.—The Secretary of Health and Human Services may enter into an agreement with any State—

"(1) to apply the standards set by the NAIC for health care insurance contracts in lieu of the requirements of this subchapter, and

"(2) to provide for the State to make the initial determination as to whether a person is in compliance with such standards for purposes of applying the sanctions under section 850.

"(b) STANDARDS.—An agreement may be entered into under subsection (a)(1) only if—

"(1) the chief executive officer of the State requests such agreement be entered into,

"(2) the Secretary of Health and Human Services determines that the NAIC standards to be applied under the agreement will carry out the purposes of this subchapter, and

"(3) the Secretary determines that the NAIC standards to be applied under the agreement will apply to substantially all health care insurance contracts issued in such State to eligible small employers.

"(c) TERMINATION.—The Secretary of Health and Human Services shall terminate any agreement if the Secretary determines that the application of NAIC standards by the State ceases to carry out the purposes of this subchapter.

"(d) NAIC STANDARDS.—Not later than the 270 days after the date of the enactment of the Health Equity and Access Improvement Act of 1991, the NAIC shall develop standards which provide for requirements substantially similar to the requirements of this subchapter.

"SEC. 850D. DEFINITIONS AND OTHER RULES.

For purposes of this part—

"(1) HEALTH CARE INSURANCE.—The term 'health care insurance' means any hospital or medical expense incurred policy or certificate, hospital or medical service plan contract, health maintenance subscriber contract, multiple employer welfare arrangement, other employee welfare plan (as defined in the Employee Retirement Income Security Act of 1974), or any other health insurance arrangement, and includes an employment-related reinsurance plan, but does not include—

"(A) a self-insured health care insurance plan; or

"(B) any of the following offered by an insurer—

"(i) accident only, dental only, or disability income only insurance,

"(ii) coverage issued as a supplement to liability insurance,

"(iii) worker's compensation or similar insurance, or

"(iv) automobile medical-payment insurance.

"(2) CLASS OF BUSINESS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'class of business' means, with respect to health care insurance provided to eligible small employers, all health care insurance provided to such employers.

"(B) ESTABLISHMENT OF GROUPINGS.—

"(i) IN GENERAL.—An issuer may establish separate classes of business with respect to health care insurance provided to eligible small employers but only if such classes are based on 1 or more of the following:

"(I) Business marketed and sold through persons not participating in the marketing and sale of such insurance to other eligible small employers.

"(II) Business acquired from other insurers as a distinct grouping.

"(III) Business provided through an association of not less than 20 eligible small employers which was established for purposes other than obtaining insurance.

"(IV) Business related to managed care plans (as defined in section 202(2) of the Health Equity and Access Improvement Act of 1991.

"(V) Any other business which the Secretary of Health and Human Services determines needs to be separately grouped to prevent a substantial threat to the solvency of the insurer.

"(ii) EXCEPTION ALLOWED.—Except as provided in subparagraph (C), an insurer may not establish more than one distinct group of eligible small employers for each category specified in clause (i).

"(C) SPECIAL RULE.—An insurer may establish up to 2 groups under each category in subparagraph (A) or (B) to account for differences in characteristics (other than differences in plan benefits) of health insurance plans that are expected to produce substantial variation in health care costs.

"(2) CHARACTERISTICS.—

"(A) IN GENERAL.—The term 'characteristics' means, with respect to any insurance rating system, the factors used in determining rates.

"(B) RISK CHARACTERISTICS.—The term 'risk characteristics' means factors related to the health risks of individuals, including health status, prior claims experience, the duration since the date of issue of a health insurance plan or arrangement, industry, and occupation.

"(C) GEOGRAPHIC FACTORS.—

"(i) IN GENERAL.—In applying geographic location as a characteristic, an insurer may not use for purposes of this subchapter areas smaller than 3-digit postal zip code areas.

"(ii) STUDY AND REPORT.—Not later than 120 days after the date of the enactment of the Health Equity and Access Improvement Act of 1991, the Comptroller General of the United States shall study and report to the Congress concerning—

"(I) insurance industry practices in determining the geographic boundaries of communities used for setting rates,

"(II) the feasibility and desirability of establishing standardized geographic communities for setting rates, and

"(III) the effect such standardized geographic communities would have on rates charged small employers.

"(3) ELIGIBLE SMALL EMPLOYER.—

"(A) IN GENERAL.—The term 'eligible small employer' means any person which, on an average business day during the preceding taxable year, had more than 2 but less than 50 employees.

"(B) AGGREGATION RULES.—All members of the same controlled group of corporations (within the meaning of section 52(a)) and all persons under common control (within the meaning of section 52(b)) shall be treated as 1 person.

"(C) EMPLOYEE.—The term 'employee' shall not include—

"(i) a self-employed individual as defined in section 401(c)(1), or

"(ii) an employee who works less than 20 hours per week.

"(4) NAIC.—The term 'NAIC' means the National Association of Insurance Commissioners."

(b) CONFORMING AMENDMENT.—Subchapter L of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new item:

"Part IV. Health care insurance provided to small employers."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to contracts issued, or renewed, after the date of the enactment of this Act.

(2) GUARANTEED ISSUE.—The provisions of section 850A(c) of the Internal Revenue Code of 1986, as added by this section, shall apply to contracts which are issued, or renewed, after the date which is 18 months after the date of the enactment of this Act.

(3) PREMIUM RANGE.—In the case of any contract in effect on the date of the enactment of this Act, the provisions of section 850B(c)(1)(A) of such Code, as added by this section, shall not apply to the premiums under such contract or any renewal contract for benefits provided during the period beginning on such date and ending on the last day of the 2nd plan year beginning after such date.

TITLE III—MEDICAL LIABILITY REFORM

Subtitle A—Definitions and Findings

SEC. 301. DEFINITIONS.

As used in this title:

(1) BOARD OF ADVISORS.—The term "Board of Advisors" means the Alternative Dispute Resolution Board of Advisors established under section 321.

(2) CLAIMANT.—The term "claimant" means any person who brings a civil action that is subject to the requirements of this Act, and any person on whose behalf such an action is brought. If such an action is brought through or on behalf of an estate, such term includes the claimant's decedent, or if such an action is brought through or on behalf of a minor or incompetent, such term includes the claimant's parent or guardian.

(3) CLEAR AND CONVINCING EVIDENCE.—The term "clear and convincing evidence" is that measure or degree of proof that will produce in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established. The level of proof required to satisfy such standard is more than that required under preponderance of the evidence, but less than that required for proof beyond a reasonable doubt.

(4) MEDICAL MALPRACTICE ACTION.—The term "medical malpractice action" includes any action involving a claim, third-party claim, cross-claim, counterclaim, or contribution claim in a civil action in which a health care provider is alleged to be liable for harm caused by such health care provider.

(5) NONECONOMIC DAMAGES.—The term "noneconomic damages" means subjective, nonmonetary losses including, pain, suffering, inconvenience, mental suffering, emotional distress, loss of society and companionship, loss of consortium, and injury to reputation and humiliation. Such term does not include objectively verifiable monetary losses including medical expenses, loss of earnings, burial costs, loss of use of property, costs of obtaining substitute domestic services, rehabilitation and training expenses, loss of employment, or loss of business or employment opportunities.

(6) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(7) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, or any political subdivision thereof.

SEC. 302. EFFECT ON INTERSTATE COMMERCE.

Congress finds that the health care and insurance industries are industries affecting interstate commerce and the medical malpractice litigation systems existing throughout the United States impact on interstate commerce by contributing to the high cost of health care and premiums for malpractice insurance purchased by health care providers.

Subtitle B—Expedited Medical Malpractice Settlements

SEC. 311. EXPEDITED MEDICAL MALPRACTICE SETTLEMENTS.

(a) RIGHT TO BRING ACTION.—Any claimant may bring a civil action for damages against a person for harm caused during the provision of medical care pursuant to applicable State law, except to the extent that such law is superseded by this subtitle.

(b) SETTLEMENT OFFERS.—

(1) BY CLAIMANT.—Any claimant may, in addition to any claim for relief made in accordance with State law as provided for in subsection (a), include in the complaint filed by such complainant an offer of settlement for a specific dollar amount.

(2) BY DEFENDANT.—Within 60 days after service of the complaint of a claimant of the type referred to in paragraph (1), or within the time permitted pursuant to State law for a responsive pleading, whichever is longer, the defendant may make an offer of settlement for a specific dollar amount, except that if such pleading includes a motion to dismiss in accordance with applicable State law, the defendant may tender such relief to the claimant within 10 days after the determination of the court regarding such motion.

(c) EXTENSION OF TIME.—

(1) AUTHORITY.—In any case in which an offer of settlement is made pursuant to subsection (b), the court may, upon motion made prior to the expiration of the applicable period for response, enter an order extending such period.

(2) CONTENTS OF EXTENSION ORDER.—Any order extending the period for response under paragraph (1) shall contain a schedule for discovery of evidence material to the issue of the appropriate amount of relief, and shall not extend such period for more than 60 days. Any such motion shall be accompanied by a supporting affidavit of the moving party setting forth the reasons why such extension is necessary to promote the interests of justice and stating that the information likely to be discovered is material, and is not, after reasonable inquiry, otherwise available to the moving party.

(d) REJECTION OF OFFER BY DEFENDANT OFFEREE.—If the defendant, as offeree, does not accept the offer of settlement made by a claimant in accordance with subsection (b)(1) within the time permitted pursuant to State law for a responsive pleading or, if such pleading includes a motion to dismiss in accordance with applicable law, within 30 days after the court's determination regarding such motion, and a verdict is entered in such action equal to or greater than the specific dollar amount of such offer of settlement, the court shall enter judgment against the defendant and shall include in such judgment an amount for the claimant's reasonable attorney's fees and costs. Such fees shall be offset against any fees owed by the claimant to the claimant's attorney by reason of the verdict.

(e) REJECTION OF OFFER BY CLAIMANT OFFEREE.—If the claimant, as offeree, does not accept the offer of settlement made by a defendant in accordance with subsection (b)(2) within 30 days after the date on which such offer is made and a verdict is entered in such action equal to or less than the specific dollar amount of such offer of settlement, the court shall reduce the amount of the verdict in such action by an amount equal to the reasonable attorney's fees and costs owed by the defendant to the defendant's attorney by reason of the verdict, except that the amount of such reduction shall not exceed that portion of the verdict which is allocable to noneconomic loss and economic loss for which the claimant has received or will receive collateral benefits.

(f) CALCULATION OF ATTORNEY'S FEES.—For purposes of this section, attorney's fees shall be calculated on the basis of an hourly rate that should not exceed that which is considered acceptable in the community in which the attorney practices, considering the attorney's qualifications and experience and the complexity of the case.

Subtitle C—Alternative Dispute Resolution Procedures

SEC. 321. ESTABLISHMENT OF BOARD OF ADVISORS.

(a) IN GENERAL.—The Secretary shall establish an Alternative Dispute Resolution Board of Advisors to make recommendations to the Secretary concerning the establishment of a model voluntary alternative dispute resolution program.

(b) COMPOSITION.—The Board of Advisors shall be composed of members to be appointed by the Secretary. Such members shall include representatives of—

(1) patient advocacy groups;

(2) State governments;

(3) physicians groups;

(4) hospitals;

(5) health and medical malpractice insurers;

(6) medical product manufacturers; and

(7) other professions or industries determined appropriate by the Secretary.

(c) DUTIES OF BOARD.—The Board of Advisors shall—

(1) provide advice and assistance to representatives from State governments concerning the establishment of alternative dispute resolution systems; and

(2) not later than 1 year after the date of enactment of this Act, submit a recommendation to the Secretary for the implementation of a model voluntary alternative dispute resolution system.

(d) APPROVAL BY SECRETARY.—The Secretary shall approve the model system submitted under subsection (c)(2) with any modifications that the Secretary determines appropriate.

SEC. 322. DEVELOPMENT OF STATE VOLUNTARY DISPUTE RESOLUTION PROCEDURES.

(a) PROGRAM TO ENCOURAGE ADOPTION.—The Secretary shall develop and implement a program to encourage States to develop and implement voluntary alternative dispute resolution procedures that meet the requirements of this title.

(b) FAILURE TO ADOPT PROCEDURES.—With respect to a State that has not adopted alternative dispute resolution procedures that

meet the requirements of this title by the date that occurs 2 years after the date of enactment of this Act, such State shall be required to adopt the model voluntary dispute resolution procedure system approved by the Secretary under section 321(d).

SEC. 323. APPLICATION OF EXISTING PROCEDURES, REBUTTABLE PRESUMPTION.

(a) OFFER TO PROCEED.—With respect to a State that has an alternative dispute resolution system in effect that meets the requirements of this title, in lieu of or in addition to making an offer of settlement under section 311, a claimant or defendant may, within the time permitted for the making of such an offer under section 311, offer to proceed pursuant to any voluntary alternative dispute resolution procedure established or recognized under the law of the State in which the civil action for damages for harm caused through a medical procedure is brought or under the rules of the court in which such action is maintained.

(b) REFUSAL TO PROCEED.—If the recipient of an offer to proceed under subsection (a) refuses to proceed pursuant to an alternative dispute resolution procedure and the court determines that such refusal was unreasonable or not in good faith, the court shall assess reasonable attorney's fees and costs against the offeree.

(c) REBUTTABLE PRESUMPTION.—For the purposes of this section, there shall be created a rebuttable presumption that a refusal by an offeree under subsection (b) to proceed pursuant to an alternative dispute resolution procedure was unreasonable or not in good faith, if a verdict is rendered in favor of the offeror.

Subtitle D—Uniform Standards for Medical Malpractice Cases

SEC. 331. APPLICATION TO CIVIL ACTIONS.

This subtitle shall apply to any medical malpractice action brought in any Federal or State court and any medical malpractice claim resolved through an alternative dispute resolution system.

SEC. 332. DAMAGES.

(a) PAYMENTS.—With respect to a civil action or claim of the type referred to in section 331, no person may be required to pay more than $100,000 in a single payment for future losses, 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 such future losses. This subsection shall apply to awards of plaintiff's damages.

(b) LIMITATION ON NONECONOMIC DAMAGES.—With respect to a civil action or claim of the type referred to in section 331, the total amount of damages that may be awarded to an individual and the family members of such individual for noneconomic losses resulting from an injury alleged under such action or claim may not exceed $250,000, regardless of the number of health care professionals and health care providers against whom the claim is brought or the number of claims brought with respect to the injury.

(c) MANDATORY OFFSETS FOR DAMAGES PAID BY A COLLATERAL SOURCE.—

(1) IN GENERAL.—With respect to a civil action or claim of the type referred to in section 331, the total amount of damages received by an individual under such action or claim shall be reduced, in accordance with paragraph (2), by any other payment that has been, or will be, made to an individual to compensate such individual for the injury that was the subject of such action or claim.

(2) AMOUNT OF REDUCTION.—The amount by which an award of damages to an individual for an injury shall be reduced under paragraph (1) shall be—

(A) the total amount of any payments (other than such award) that have been made or that will be made to such individual to compensate such individual for the injury that was the subject of the action or claim; minus

(B) the amount paid by such individual (or by the spouse, parent, or legal guardian of such individual) to secure the payments described in subparagraph (A).

(d) ATTORNEYS' FEES.—With respect to a civil action or claim of the type referred to in section 331, attorneys' fees may not exceed—

(1) 25 percent of the first $150,000 of any award or settlement under such action or claim; and

(2) 15 percent of any additional amounts in excess of $150,000.

SEC. 333. JOINT AND SEVERAL LIABILITY FOR NONECONOMIC DAMAGES.

(a) IN GENERAL.—With respect to a civil action or claim of the type referred to in section 331, the liability of each defendant for noneconomic damages shall be several only and shall not be joint. Each defendant shall be liable only for the amount of noneconomic damages allocated to such defendant in direct proportion to such defendant's percentage of responsibility as determined under subsection (b).

(b) PROPORTION OF RESPONSIBILITY.—For purposes of this section, the trier of fact shall determine the proportion of responsibility of each party for the claimant's harm.

SEC. 334. UNIFORM STATUTE OF LIMITATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no medical malpractice civil action may be initiated after the expiration of the 2-year period that begins on the date on which the alleged injury should reasonably have been discovered, but in no event later than 4 years after the date of the alleged occurrence of the injury.

(b) EXCEPTION FOR MINORS.—In the case of an alleged injury suffered by a minor who has not attained 6 years of age, no medical malpractice claim may be initiated after the expiration of the 2-year period that begins on the date on which the alleged injury should reasonably have been discovered, but in no event later than 4 years after the date of the alleged occurrence of the injury or the date on which the minor attains 8 years of age, whichever is later.

SEC. 335. PROVISION FOR DROP IN DELIVERIES.

With respect to a civil action of the type referred to in section 331, for alleged medical malpractice related to services provided during the delivery of a baby, a court shall only find in favor of the claimant if such malpractice on the part of the defendant health care professional is proven by clear and convincing evidence, except that such evidentiary standard shall only apply if a defendant did not previously provide prenatal care to the claimant for this pregnancy, was not part of a group practice that previously treated the claimant during the pregnancy resulting in this delivery, or was not providing coverage pursuant to an agreement with another health care professional for this delivery.

Subtitle E—Uniform Disciplinary Reforms

SEC. 341. REQUIREMENT OF COMPLIANCE.

Not later than 2 years after the date of enactment of this Act, a State shall comply with the requirements of this subtitle.

SEC. 342. FUNDS FOR STATE DISCIPLINARY ACTIVITIES.

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 practitioner, or an amount of State funds equal to such total amount, to the State agency or agencies responsible for the conduct of licensing and disciplinary actions with respect to such type of health care practitioner.

SEC. 343. MEMBERSHIP OF STATE HEALTH CARE PRACTITIONER BOARDS.

Each State shall permit the general public to be represented on State health care practitioner disciplinary boards. Not less than 25 percent of the membership of each such health care practitioner disciplinary board shall be appointed from among the general public.

SEC. 344. IMMUNITY FOR MEMBERS OF STATE HEALTH CARE PRACTITIONER BOARDS.

There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any current or former member, officer, administrator, staff member, committee member, examiner, representative, agent, employee, consultant, witness, or any other individual serving or having served on a State health care practitioner disciplinary board, either as a part of the board's operation or as an individual, as a result of any act, omission, proceeding, conduct or decision related to the duties of such individual undertaken or performed in good faith and within the scope of the function of the board.

SEC. 345. RISK MANAGEMENT PROGRAMS.

Not later than 2 years after the date of enactment of this Act, each State shall have in effect a Statewide risk management program, to reduce the incidence of medical malpractice that meets any regulations promulgated by the Secretary for the establishment of such program.

SEC. 346. PUNITIVE DAMAGES.

(a) TRUST FUND.—Each State shall establish a health care disciplinary trust fund consisting of such amounts as are transferred to the trust fund under subsection (b).

(b) TRANSFER OF AMOUNTS.—Each State shall require that all awards of punitive damages resulting from all medical malpractice and medical products civil actions in that State be transferred to the trust fund established under subsection (a) in the State.

(c) OBLIGATIONS FROM TRUST FUND.—The chief executive officer of a State shall obligate such sums as are available in the trust fund established in that State under subsection (a) to provide additional resources to State health care practitioner disciplinary boards for the disciplining of health care practitioners and to provide additional resources for consumer protection activities of the State.

Subtitle F—Medical Products

SEC. 351. LIMITATION ON AWARD OF PUNITIVE DAMAGES IN PRODUCT LIABILITY ACTIONS INVOLVING DRUGS AND DEVICES.

(a) DEFINITIONS.—As used in this section:

(1) DEVICE.—The term "device" has the meaning given the term in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)).

(2) DRUG.—The term "drug" has the meaning given the term in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)).

(3) HEALTH CARE PRODUCER.—The term "health care producer" means any firm or business enterprise that designs, manufactures, produces, or sells a drug or device that is the subject of a liability action.

(b) LIMITATION.—

(1) IN GENERAL.—Punitive damages otherwise permitted by applicable law shall not be

awarded in an action under this Act against a health care producer of a drug or device that caused the harm complained of by the claimant if—

(A) the drug or device—

(i) was subject to approval under section 505 (21 U.S.C. 355) or premarket approval under section 515 (21 U.S.C. 360e), respectively, of the Federal Food, Drug, and Cosmetic Act, by the Food and Drug Administration, with respect to—

(I) the safety of the formulation or performance of the aspect of the drug or device that caused the harm; or

(II) the adequacy of the packaging or labeling of the drug or device; and

(ii) was approved by the Food and Drug Administration; or

(B) the drug or device is generally recognized as safe and effective pursuant to conditions established by the Food and Drug Administration and applicable regulations, including packaging and labeling regulations.

(2) WITHHELD INFORMATION; MISREPRESENTATION; ILLEGAL PAYMENT.—The provisions of paragraph (1) shall not apply in any case in which the defendant—

(A) withheld from or misrepresented to the Food and Drug Administration or any other agency or official of the Federal Government information that is material and relevant to the performance of the drug or device; or

(B) made an illegal payment to an official of the Food and Drug Administration for the purpose of securing approval of the drug or device.

(c) SEPARATE PROCEEDING.—

(1) CONSIDERATIONS.—At the request of the health care producer in an action described in subsection (b), the trier of fact shall consider in a separate proceeding—

(A) whether punitive damages are to be awarded and the amount of the award; or

(B) the amount of punitive damages following a determination of punitive liability.

(2) EVIDENCE.—If a separate proceeding is requested in accordance with paragraph (1), evidence relevant only to the claim of punitive damages, as determined by applicable State law, shall be inadmissible in any proceeding to determine whether compensatory damages are to be awarded.

(d) AMOUNT OF PUNITIVE DAMAGES.—In determining the amount of punitive damages in an action described in subsection (b) or (c), the trier of fact shall consider all relevant evidence, including—

(1) the financial condition of the health care producer;

(2) the severity of the harm caused by the conduct of the health care producer;

(3) the duration of the conduct or any concealment of the conduct by the health care producer;

(4) the profitability of the conduct to the health care producer;

(5) the number of products sold by the health care producer of the kind causing the harm complained of by the claimant;

(6) awards of punitive of exemplary damages to persons similarly situated to the claimant;

(7) prospective awards of compensatory damages to persons similarly situated to the claimant;

(8) any criminal penalties imposed on the health care producer as a result of the conduct complained of by the claimant; and

(9) the amount of any civil fines assessed against the defendant as a result of the conduct complained of by the claimant.

(e) STRICT LIABILITY DEFENSE.—In a civil action brought by a claimant in a Federal or State court under which the claimant alleges that a health care producer of a drug or device is strictly liable to such claimant for injuries sustained from the use of such drug or device, a showing by the defendant that such drug or devices was subject to approval and was approved by the Food and Drug Administration as described in subsection (b)(1)(A) shall be an absolute defense to such strict liability claims.

Subtitle G—Community Health Centers

SEC. 361. COMMUNITY AND MIGRANT HEALTH CENTERS RISK RETENTION GROUP.

(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, 1992, 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 operation 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 also 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, 1992, 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 results 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, 1994.

"(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) CAPITALIZATION.—There are authorized to be appropriated to carry out this section, $40,000,000 for each of the fiscal years 1992 and 1993. Amounts appropriated under this paragraph may only be made available if the Secretary makes an affirmative determination under subsection (d)(2).

"(2) 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.

"(3) SAVINGS.—Any amount saved by the grantees under sections 329 and 330 as a result of the establishment of the risk retention group shall be utilized—

"(A) to provide additional services of the type permitted under section 329 or 330, as appropriate; and

"(B) to defend against medical malpractice claims arising from services provided by such grantees.".

(b) CONFORMING AMENDMENTS.—

(1) Section 329(h)(1)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(1)(A)) is amended by striking "1991" and inserting "1993".

(2) 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 1992" after "1991".

Subtitle H—Miscellaneous Provisions

SEC. 371. SEVERABILITY.

If any provision of this title, or an amendment made by this title, or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 372. COMPLIANCE.

Except as otherwise specifically provided, not later than 2 years after the date of enactment of this Act, a State shall enact, adopt, or otherwise comply with the provisions of this title.

TITLE IV—PUBLIC HEALTH PROVISIONS

Subtitle A—New Basic Health Care Program

SEC. 401. ESTABLISHMENT OF BASICARE PROGRAM.

(a) IN GENERAL.—The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XXI—BASICARE

"TABLE OF CONTENTS OF TITLE

"Sec. 2101. Appropriation.
"Sec. 2102. State plans for BasiCare assistance.
"Sec. 2103. Payment to States.
"Sec. 2104. Quality assurance.
"Sec. 2105. Definitions.

"APPROPRIATION

"SEC. 2101. For the purpose of providing basic health care benefits to low-income uninsured individuals not eligible for coverage under title XIX of this Act, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for BasiCare assistance.

"STATE PLANS FOR BASICARE ASSISTANCE

"SEC. 2102. (a) IN GENERAL.—A State plan for BasiCare assistance must—

"(1) provide either for the establishment or designation of a single State agency to administer or supervise the administration of the program established under this title;

"(2) provide for financial participation by the State equal to the non-Federal share of the expenditures under the plan with respect to which payments under section 2103 are authorized by this title;

"(3) provide health assistance to all eligible individuals described in subsection (b), and at the option of the State, subsets of basic medical and social benefits to subgroups of such eligible individuals;

"(4) meet the quality assurance requirements of section 2104;

"(5) provide that the State will not modify its State plan under title XIX of this Act so as to result in individuals eligible under the State's plan under such title becoming eligible for enrollment under BasiCare;

"(6) meet the requirements of paragraphs (4), (6), (7), (19), (45), (46), (48), and (49) of section 1902(a); and

"(7) meet such further requirements as the Secretary may specify.

"(b) ELIGIBILITY FOR BASICARE.—An individual is eligible to receive benefits under this title if such individual—

"(1) has a family income below 200 percent of the income official poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981);

"(2) is not otherwise eligible for medical assistance under a State plan under title XIX of this Act; and

"(3) is not otherwise covered under a health plan offered by the individual's employer.

"PAYMENT TO STATES

"SEC. 2103. (a) IN GENERAL.—From the sums appropriated therefor (subject to the expenditure limitation described in subsection (b)), the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing January 1, 1992—

"(1) an amount equal to the Federal health assistance percentage (as defined in section 2105(b)); plus

"(2) an amount equal to 3 percent of the average per person expenditures under the plan for each individual under the plan enrolled in a managed care setting (including health maintenance organizations, community health centers and such other types of providers as designated by the Secretary).

"(b) LIMIT ON FEDERAL EXPENDITURES AS HEALTH ASSISTANCE.—Payments under this section to a State may not exceed an average of $10,000 per year, per enrolled individual.

"(c) COST-SHARING.—(1) With respect to individuals eligible for health assistance under this title whose income is between 100 and 200 percent of the income official poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981), the State may impose such deductibles, copayments or premiums with respect to such individual's coverage under this title as the State may deem appropriate, subject to the limitation in paragraph (2).

"(2) A State may not impose a deductible, copayment or premium with respect to an individual described in paragraph (1) that is in excess of 5 percent of such individual's gross income during a calendar year.

"QUALITY ASSURANCE

"SEC. 2104. The Secretary shall establish a program to assure the quality of services provided under this title. In establishing such program, the Secretary shall provide that Federal employees and contractors are utilized in ensuring compliance with the quality assurance provisions of this title and provide for criteria to disallow payment under section 2103 for services found not to meet the quality assurance provisions of this title established by the Secretary.

"DEFINITIONS

"SEC. 2105. (a) HEALTH ASSISTANCE.—For purposes of this title, the term 'health assistance' means a set of basic medical and social benefits as defined by the State, including services provided in skilled nursing facilities or in other long-term care settings for a period not to exceed 45 days in a calendar year.

"(b) FEDERAL HEALTH ASSISTANCE PERCENTAGE.—For purposes of this title, the term 'Federal health assistance percentage' means the Federal medical assistance percentage as defined in section 1905(b).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to payments for health assistance beginning on or after January 1, 1992.

SEC. 402. GAO STUDY OF PAYMENTS UNDER BASICARE.

The Comptroller General of the Government Accounting Office shall study and report to Congress by no later than January 1, 1995, on payments to providers of services under title XXI of the Social Security Act and shall include in such report recommendations on whether or not payments under such title to managed care programs need to be increased in order to encourage greater participation of such entities under such title.

SEC. 411. EXPANSION OF MEDICAID WAIVER AUTHORITY.

(a) IN GENERAL.—Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this title, with respect to any waiver granted by the Secretary under title XIX (except waivers under section 1915(c)) after such a waiver has been in effect for over a period of 3 years, the Secretary shall not require a State operating under such a waiver to conduct an independent assessment of such waiver unless the State proposes a substantial (as determined by the Secretary) amendment to the waiver agreement.

"(2) Any waiver granted under title XIX which has been in effect for over a period of 3 years shall be considered, at the option of a State, to be a permanent amendment to the State's plan for medical assistance in effect under section 1902.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to waivers granted under title XIX of the Social Security Act beginning before, on or after January 1, 1992.

SEC. 412. ESTABLISHMENT OF FEDERAL MEDICAL WAIVER DEMONSTRATION BOARD.

(a) ESTABLISHMENT.—There is established a board to be known as the Federal Medical Waiver Demonstration Board (hereinafter referred to as the "Board").

(b) MEMBERSHIP.—The Board shall be composed of—

(1) the Secretary of Health and Human Services;

(2) the Secretary of Labor; and

(3) the Secretary of Veterans Affairs.

(c) DUTIES AND POWERS OF THE BOARD.—

(1) REVIEW OF STATE APPLICATIONS.—The Board shall review applications submitted by States to conduct health care related demonstration projects in the State and shall approve within 3 months of receiving such applications those applications which meet the requirements of this section. The Board in reviewing and approving the application of a State shall make a determination whether such application provides for a demonstration project which—

(A) would provide that at least 95 percent of the residents of the State would have access to basic health care services (as defined by the Board);

(B) would improve the delivery of and increase access to health care services for a significant number of individuals in the State; and

(C) would assure the quality of care of health care services provided under such project.

(2) DEVELOPMENT OF MODEL STATE PLANS.—The Board shall develop and publish in the Federal Register, no later than 6 months after the date of enactment of this Act, at least 3 different model health care delivery plans that provide for new approaches that may be adopted by States in providing and furnishing health care services to residents of the State.

(3) WAIVER OF CERTAIN FEDERAL HEALTH RELATED PROVISIONS.—The Board upon approving the application of a State to conduct a demonstration project under this section shall waive to the extent necessary to allow the State to conduct such a demonstration project the following provisions of Federal law:

(A) The Public Health Service Act.

(B) Subject to paragraph (4), title XVIII of the Social Security Act.

(C) Titles XIX and XXI of the Social Security Act.

(D) All health care programs operated under laws administered by the Secretary of Veterans Affairs.

(E) The Employee Retirement Income Security Act of 1974.

(4) LIMITED WAIVER OF MEDICARE.—The Board may waive the provisions of title XVIII of the Social Security Act only if a State provides that all individuals residing in the State receiving benefits under the medicare program under such title are eligible for health care benefits under the program operated by the State under a waiver granted under this section and that such health care benefits provided to such individuals are equal in amount, duration, and scope to the benefits provided under such title.

(d) 3-YEAR RENEWAL OF WAIVER.—A waiver approved by the Board for a State shall be in effect in the State for a 36-month period commencing from the date of such approval. At the end of the 36-month period such waiver shall be renewed unless the Board determines that the State is not substantially in compliance with the requirements described in subparagraphs (A) through (C) of subsection (c)(1).

(e) BUDGET NEUTRALITY.—The Board in carrying out its duties under this section shall provide that total Federal expenditures under the programs for which waivers are granted under this section are no greater than what such expenditures would have been but for the waivers granted under this section.

TITLE V—MEDICALLY UNDERSERVED AREAS

Subtitle A—Public Health Service Act Provisions

SEC. 501. NATIONAL HEALTH SERVICE CORPS.

Section 338H(b) of the Public Health Service Act (42 U.S.C. 254q(b)) is amended—

(1) in paragraph (1), by striking "and such sums" and all that follows through the end thereof and inserting "$118,900,000 for each of the fiscal years 1992 through 1996."; and

(2) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) IN GENERAL.—Of the amount appropriated under paragraph (1) for each fiscal year, the Secretary shall utilize 25 percent of such amount to carry out section 338A and 75 percent of such amount to carry out section 338B.".

SEC. 502. ESTABLISHMENT OF GRANT PROGRAM.

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. COMMUNITY BASED PRIMARY HEALTH CARE GRANT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish and administer a program to provide allotments to States to enable such States to provide grants for the creation or enhancement of community based primary health care entities that provide services to pregnant women and children up to age three.

"(b) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—From the amounts available for allotment under subsection (h) for a fiscal year, the Secretary shall allot to each State an amount equal to the product of the grant share of the State (as determined under paragraph (2)) multiplied by the amount available for allotment for such fiscal year.

"(2) GRANT SHARE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the grant share of a State shall be the product of the need-adjusted population of the State (as determined under subparagraph (B)) multiplied by the Federal matching percentage of the State (as determined under subparagraph (C)), expressed as a percentage of the sum of the products of such factors for all States.

"(B) NEED-ADJUSTED POPULATION.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the need-adjusted population of a State shall be the product of the total population of the State (as estimated by the Secretary of Commerce) multiplied by the need index of the State (as determined under clause (ii)).

"(ii) NEED INDEX.—For purposes of clause (i), the need index of a State shall be the ratio of—

"(I) the weighted sum of the geographic percentage of the State (as determined under clause (iii)), the poverty percentage of the State (as determined under clause (iv)), and the multiple grant percentage of the State (as determined under clause (v)); to

"(II) the general population percentage of the State (as determined under clause (vi)).

"(iii) GEOGRAPHIC PERCENTAGE.—

"(I) IN GENERAL.—For purposes of clause (ii)(I), the geographic percentage of the State shall be the estimated population of the State that is residing in nonurbanized areas (as determined under subclause (II)) expressed as a percentage of the total nonurbanized population of all States.

"(II) NONURBANIZED POPULATION.—For purposes of subclause (I), the estimated population of the State that is residing in non-urbanized areas shall be one minus the urbanized population of the State (as determined using the most recent decennial census), expressed as a percentage of the total population of the State (as determined using the most recent decennial census), multiplied by the current estimated population of the State.

"(iv) POVERTY PERCENTAGE.—For purposes of clause (ii)(I), the poverty percentage of the State shall be the estimated number of people residing in the State with incomes below 200 percent of the income official poverty line (as determined by the Office of Management and Budget) expressed as a percentage of the total number of such people residing in all States

"(v) MULTIPLE GRANT PERCENTAGE.—For purposes of clause (ii)(I), the multiple grant percentage of the State shall be the amount of Federal funding received by the State under grants awarded under sections 329, 330 and 340, expressed as a percentage of the total amounts received under such grants by all States. With respect to a State, such amount shall not exceed twice the general population percentage of the State under clause (vi) or be less than one half of the States general population percentage.

"(vi) GENERAL POPULATION PERCENTAGE.—For purposes of clause (ii)(II), the general population percentage of the State shall be the total population of the State (as determined by the Secretary of Commerce) expressed as a percentage of the total population of all States.

"(C) FEDERAL MATCHING PERCENTAGE.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the Federal matching percentage of the State shall be equal to one less the State matching percentage (as determined under clause (ii)).

"(ii) STATE MATCHING PERCENTAGE.—For purposes of clause (ii), the State matching percentage of the State shall be 0.25 multiplied by the ratio of the total taxable resource percentage (as determined under clause (iii)) to the need-adjusted population of the State (as determined under subparagraph (B)).

"(iii) TOTAL TAXABLE RESOURCE PERCENTAGE.—For purposes of clause (ii), the total taxable resources percentage of the State shall be the total taxable resources of a State (as determined by the Secretary of the Treasury) expressed as a percentage of the sum of the total taxable resources of all States.

"(3) ANNUAL ESTIMATES.—

"(A) IN GENERAL.—If the Secretary of Commerce does not produce the annual estimates required under paragraph (2)(B)(iv), such estimates shall be determined by multiplying the percentage of the population of the State that is below 200 percent of the income offi-

cial poverty line as determined using the most recent decennial census by the most recent estimate of the total population of the State. Except as provided in subparagraph (B), the calculations required under this subparagraph shall be made based on the most recent 3 year average of the total taxable resources of individuals within the State.

"(B) DISTRICT OF COLUMBIA.—Notwithstanding subparagraph (A), the calculations required under such subparagraph with respect to the District of Columbia shall be based on the most recent 3 year average of the personal income of individuals residing within the District as a percentage of the personal income for all individuals residing within the District, as determined by the Secretary of Commerce.

"(4) MATCHING REQUIREMENT.—A State that receives an allotment under this section shall make available State resources (either directly or indirectly) to carry out this section in an amount that shall equal the State matching percentage for the State (as determined under paragraph (2)(C)(II)) divided by the Federal matching percentage (as determined under paragraph (2)(C)).

"(c) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive an allotment under this section, a State shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may by regulation require.

"(2) ASSURANCES.—A State application submitted under paragraph (1) shall contain an assurance that—

"(A) the State will use amounts received under its allotment consistent with the requirements of this section; and

"(B) the State will provide, from non-Federal sources, the amounts required under subsection (b)(4).

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—The State shall use amounts received under this section to award grants to eligible public and nonprofit private entities, or consortia of such entities, within the State to enable such entities or consortia to provide services of the type described in paragraph (2) of section 329(h) to pregnant women and children up to age three.

"(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), an entity or consortium shall—

"(A) prepare and submit to the administering entity of the State, an application at such time, in such manner and containing such information as such administering entity may require, including a plan for the provision of services;

"(B) provide assurances that services will be provided under the grant at fee rates established or determined in accordance with section 330(e)(3)(F); and

"(C) provide assurances that in the case of services provided to individuals with health insurance, such insurance shall be used as the primary source of payment for such services.

"(3) TARGET POPULATIONS.—Entities or consortia receiving grants under paragraph (1) shall, in providing the services described in paragraph (3), substantially target populations of pregnant women and children within the State who—

"(A) lack the health care coverage, or ability to pay, for primary or supplemental health care services; or

"(B) reside in medically underserved or health professional shortage areas, areas certified as underserved under the rural health clinic program, or other areas determined appropriate by the State, within the State.

"(4) PRIORITY.—In awarding grants under paragraph (1), the State shall—

"(A) give priority to entities or consortia that can demonstrate through the plan submitted under paragraph (2) that—

"(i) the services provided under the grant will expand the availability of primary care services to the maximum number of pregnant women and children who have no access to such care on the date of the grant award; and

"(ii) the delivery of services under the grant will be cost-effective; and

"(B) ensure that an equitable distribution of funds is achieved among urban and rural entities or consortia.

"(e) REPORTS AND AUDITS.—Each State shall prepare and submit to the Secretary annual reports concerning the State's activities under this section which shall be in such form and contain such information as the Secretary determines appropriate. Each such State shall establish fiscal control and fund accounting procedures as may be necessary to assure that amounts received under this section are being disbursed properly and are accounted for, and include the results of audits conducted under such procedures in the reports submitted under this subsection.

"(f) PAYMENTS.—

"(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this section for each fiscal year in an amount not to exceed the State's allotment under subsection (b) to be expended by the State in accordance with the terms of the application for the fiscal year for which the allotment is to be made.

"(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (b) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

"(g) DEFINITION.—As used in this section, the term 'administering entity of the State' means the agency or official designated by the chief executive officer of the State to administer the amounts provided to the State under this section.

"(h) FUNDING.—Notwithstanding any other provision of law, the Secretary shall use 50 percent of the amounts that the Secretary is required to utilize under section 330B(h) in each fiscal year to carry out this section.".

SEC. 503. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 502) is further amended by adding at the end thereof the following new section:

"SEC. 330B. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

"(a) ESTABLISHMENT OF HEALTH SERVICES ACCESS PROGRAM.—From amounts appropriated under this section, the Secretary shall, acting through the Bureau of Health Care Delivery Assistance, award grants under this section to federally qualified health centers (hereinafter referred to in this section as 'FQHC's') and other entities and organizations submitting applications under this section (as described in subsection (c)) for the purpose of providing access to services for medically underserved populations (as defined in section 330(b)(3)) or in high impact areas (as defined in section 329(a)(5)) not currently being served by a FQHC.

"(b) ELIGIBILITY FOR GRANTS.—

"(1) IN GENERAL.—The Secretary shall award grants under this section to entities or organizations described in this paragraph and paragraph (2) which have submitted a proposal to the Secretary to expand such entities or organizations operations (including expansions to new sites (as determined necessary by the Secretary)) to serve medically underserved populations or high impact areas not currently served by a FQHC and which—

"(A) have as of January 1, 1991, been certified by the Secretary as a FQHC under section 1905(l)(2)(B) of the Social Security Act; or

"(B) have submitted applications to the Secretary to qualify as FQHC's under such section 1905(l)(2)(B); or

"(C) have submitted a plan to the Secretary which provides that the entity will meet the requirements to qualify as a FQHC when operational.

"(2) NON FQHC ENTITIES.—

"(A) ELIGIBILITY.—The Secretary shall also make grants under this section to public or private nonprofit agencies, health care entities or organizations which meet the requirements necessary to qualify as a FQHC except, the requirement that such entity have a consumer majority governing board and which have submitted a proposal to the Secretary to provide those services provided by a FQHC as defined in section 1905(l)(2)(B) of the Social Security Act and which are designed to promote access to primary care services or to reduce reliance on hospital emergency rooms or other high cost providers of primary health care services, provided such proposal is developed by the entity or organizations (or such entities or organizations acting in a consortium in a community) with the review and approval of the Governor of the State in which such entity or organization is located.

"(B) LIMITATION.—The Secretary shall provide in making grants to entities or organizations described in this paragraph that no more than 10 percent of the funds provided for grants under this section shall be made available for grants to such entities or organizations.

"(c) APPLICATION REQUIREMENTS.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this section, a FQHC or other entity or organization must submit an application in such form and at such time as the Secretary shall prescribe and which meets the requirements of this subsection.

"(2) REQUIREMENTS.—An application submitted under this section must provide—

"(A)(i) for a schedule of fees or payments for the provision of the services provided by the entity designed to cover its reasonable costs of operations; and

"(ii) for a corresponding schedule of discounts to be applied to such fees or payments, based upon the patient's ability to pay (determined by using a sliding scale formula based on the income of the patient);

"(B) assurances that the entity or organization provides services to persons who are eligible for benefits under title XVIII of the Social Security Act, for medical assistance

under title XIX of such Act or for assistance for medical expenses under any other public assistance program or private health insurance program; and

"(C) assurances that the entity or organization has made and will continue to make every reasonable effort to collect reimbursement for services—

"(i) from persons eligible for assistance under any of the programs described in subparagraph (B); and

"(ii) from patients not entitled to benefits under any such programs.

"(d) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—From the amounts awarded to an entity or organization under this section, funds may be used for purposes of planning but may only be expended for the costs of—

"(A) assessing the needs of the populations or proposed areas to be served;

"(B) preparing a description of how the needs identified will be met;

"(C) development of an implementation plan that addresses—

"(i) recruitment and training of personnel; and

"(ii) activities necessary to achieve operational status in order to meet FQHC requirements under 1905(l)(2)(B) of the Social Security Act.

"(2) RECRUITING, TRAINING AND COMPENSATION OF STAFF.—From the amounts awarded to an entity or organization under this section, funds may be used for the purposes of paying for the costs of recruiting, training and compensating staff (clinical and associated administrative personnel (to the extent such costs are not already reimbursed under title XIX of the Social Security Act or any other State or Federal program)) to the extent necessary to allow the entity to operate at new or expanded existing sites.

"(3) FACILITIES AND EQUIPMENT.—From the amounts awarded to an entity or organization under this section, funds may be expended for the purposes of acquiring facilities and equipment but only for the costs of—

"(A) construction of new buildings (to the extent that new construction is found to be the most cost-efficient approach by the Secretary);

"(B) acquiring, expanding, or modernizing of existing facilities;

"(C) purchasing essential (as determined by the Secretary) equipment; and

"(D) amortization of principal and payment of interest on loans obtained for purposes of site construction, acquisition, modernization, or expansion, as well as necessary equipment.

"(4) SERVICES.—From the amounts awarded to an entity or organization under this section, funds may be expended for the payment of services but only for the costs of—

"(A) providing or arranging for the provision of all services through the entity necessary to qualify such entity as a FQHC under section 1905(l)(2)(B) of the Social Security Act;

"(B) providing or arranging for any other service that a FQHC may provide and be reimbursed for under title XIX of such Act; and

"(C) providing any unreimbursed costs of providing services as described in section 330(a) to patients.

"(e) PRIORITIES IN THE AWARDING OF GRANTS.—

"(1) CERTIFIED FQHC'S.—The Secretary shall give priority in awarding grants under this section to entities which have, as of January 1, 1991, been certified as a FQHC under section 1905(l)(2)(B) of the Social Security Act and which have submitted a proposal to the Secretary to expand their operations (including expansion to new sites) to serve medically underserved populations for high impact areas not currently served by a FQHC. The Secretary shall give first priority in awarding grants under this section to those FQHCs or other entities which propose to serve populations with the highest degree of unmet need, and which can demonstrate the ability to expand their operations in the most efficient manner.

"(2) QUALIFIED FQHC'S.—The Secretary shall give second priority in awarding grants to entities which have submitted applications to the Secretary which demonstrate that the entity will qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act before it provides or arranges for the provision of services supported by funds awarded under this section, and which are serving or proposing to serve medically underserved populations or high impact areas which are not currently served (or proposed to be served) by a FQHC.

"(3) EXPANDED SERVICES AND PROJECTS.—The Secretary shall give third priority in awarding grants in subsequent years to those FQHCs or other entities which have provided for expanded services and project and are able to demonstrate that such entity will incur significant unreimbursed costs in providing such expanded services.

"(f) RETURN OF FUNDS TO SECRETARY FOR COSTS REIMBURSED FROM OTHER SOURCES.—To the extent that an entity or organization receiving funds under this section is reimbursed from another source for the provision of services to an individual, and does not use such increased reimbursement to expand services furnished, areas served, to compensate for costs of unreimbursed services provided to patients, or to promote recruitment, training, or retention of personnel, such excess revenues shall be returned to the Secretary.

"(g) TERMINATION OF GRANTS.—

"(1) FAILURE TO MEET FQHC REQUIREMENTS.—

"(A) IN GENERAL.—With respect to any entity that is receiving funds awarded under this section and which subsequently fails to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) or is an entity that is not required to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act but fails to meet the requirements of this section, the Secretary shall terminate the award of funds under this section to such entity.

"(B) NOTICE.—Prior to any termination of funds under this section to an entity, the entities shall be entitled to 60 days prior notice of termination and, as provided by the Secretary in regulations, an opportunity to correct any deficiencies in order to allow the entity to continue to receive funds under this section.

"(2) REQUIREMENTS.—Upon any termination of funding under this section, the Secretary may (to the extent practicable)—

"(A) sell any property (including equipment) acquired or constructed by the entity using funds made available under this section or transfer such property to another FQHC, provided, that the Secretary shall reimburse any costs which were incurred by the entity in acquiring or constructing such property (including equipment) which were not supported by grants under this section; and

"(B) recoup any funds provided to an entity terminated under this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $400,000,000 for fiscal year 1992, $800,000,000 for fiscal year 1993, $1,200,000,000 for fiscal year 1994, $1,600,000,000 for fiscal year 1995, and $1,600,000,000 for fiscal year 1996.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to services furnished by a federally qualified health center or other qualifying entity described in this section beginning on or after October 1, 1991.

(c) STUDY AND REPORT ON SERVICES PROVIDED BY COMMUNITY HEALTH CENTERS AND HOSPITALS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereinafter referred to in this subsection as the "Secretary") shall provide for a study to examine the relationship and interaction between community health centers and hospitals in providing services to individuals residing in medically underserved areas. The Secretary shall ensure that the National Rural Research Centers participate in such study.

(2) REPORT.—The Secretary shall provide to the appropriate committees of Congress a report summarizing the findings of the study within 90 days of the end of each project year and shall include in such report recommendations on methods to improve the coordination of and provision of services in medically underserved areas by community health centers and hospitals.

(3) AUTHORIZATION.—There are authorized to be appropriated to carry out the study provided for in this subsection $150,000 for each of fiscal years 1992 and 1993.

SEC. 504. RURAL MENTAL HEALTH OUTREACH GRANTS.

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290cc-11 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 520A. RURAL MENTAL HEALTH OUTREACH GRANTS.

"(a) IN GENERAL.—The Secretary may award competitive grants to eligible entities to enable such entities to develop and implement a plan for mental health outreach programs in rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the activities that the entity intends to undertake using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to applications that place emphasis on mental health services for the elderly or children. Priority shall also be given to applications that involve relationships between the applicant and rural managed care cooperatives.

"(d) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 505. HEALTH PROFESSIONS TRAINING.

(a) MEDICALLY UNDERSERVED AREA TRAINING INCENTIVES.—Part A of title VII of the

Public Health Service Act (42 U.S.C. 292 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 711. PRIORITIES IN AWARDING OF GRANTS.

"(a) ALLOCATION OF COMPETITIVE GRANT FUNDS.—In awarding competitive grants under this title or title VIII, the Secretary shall, among applicants that meet the eligibility requirements under such titles, give priority to entities submitting applications that—

"(1) can demonstrate that such entities—

"(A) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved communities; and

"(B) have a curriculum that includes—

"(i) the rotation of medical students and residents to clinical settings the focus of which is to serve medically underserved communities;

"(ii) the appointment of health professionals whose practices serve medically underserved communities to act as preceptors to supervise training in such settings;

"(iii) classroom instruction on practice opportunities involving medically underserved communities;

"(iv) service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(v) the recruitment of students who are most likely to elect to practice in or provide service to medically underserved communities;

"(vi) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities; or

"(2) contain an organized plan for the expeditious development of the placement rate and curriculum described in paragraph (1).

"(b) SERVICE IN MEDICALLY UNDERSERVED COMMUNITIES.—Not less than 50 percent of the amounts appropriated for fiscal year 1995, and for each subsequent fiscal year, for competitive grants under this title or title VIII, shall be used to award grants to institutions that are otherwise eligible for grants under such titles, and that can demonstrate that—

"(1) not less than 15 percent of the graduates of such institutions during the preceding 2-year period are engaged in full-time practice serving the needs of medically underserved communities; or

"(2) the number of the graduates of such institutions that are practicing in a medically underserved community has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.

"(c) WAIVERS.—A health professions school may petition the Secretary for a temporary waiver of the priorities of this section. Such waiver shall be approved if the health professions school demonstrates that the State in which such school is located is not suffering from a shortage of primary care providers, as determined by the Secretary. Such waiver shall not be for a period in excess of 2 years.

"(d) DEFINITIONS.—As used in this section:

"(1) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(2) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(A) an area designated under section 332 as a health professional shortage area;

"(B) an area designated as a medically underserved area under this Act;

"(C) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.".

(b) MEDICALLY UNDERSERVED AREA TRAINING GRANTS.—Part F of title VII (42 U.S.C. 295g et seq.) of such Act is amended by adding at the end thereof the following new section:

"SEC. 790B. MEDICALLY UNDERSERVED AREA TRAINING GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to health professions institutions to expand training programs that are targeted at those individuals desiring to practice in or serve the needs of medically underserved communities.

"(b) PLAN.—As part of an application submitted for a grant under this section, the applicant shall prepare and submit a plan that describes the proposed use of funds that may be provided to the applicant under the grant.

"(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applicants that demonstrate the greatest likelihood of expanding the proportion of graduates who choose to practice in or serve the needs of medically underserved areas.

"(d) USE OF FUNDS.—An institution that receives a grant under this section shall use amounts received under such grant to establish or enhance procedures or efforts to—

"(1) rotate health professions students from such institution to clinical settings the focus of which is to serve the residents of medically underserved communities;

"(2) appoint health professionals whose practices serve medically underserved areas to serve as preceptors to supervise training in such settings;

"(3) provide classroom instruction on practice opportunities involving medically underserved communities;

"(4) provide service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(5) recruit students who are most likely to elect to practice in or provide service to medically underserved communities; or

"(6) provide other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities.

"(e) ADMINISTRATION.—

"(1) REQUIRED CONTRIBUTION.—An institution that receives a grant under this section shall contribute, from non-Federal sources, either in cash or in-kind, an amount equal to the amount of the grant to the activities to be undertaken with the grant funds.

"(2) LIMITATION.—An institution that receives a grant under this section, shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (d) in the fiscal year preceding the year for which the grant is received.

"(f) DEFINITIONS.—As used in this section:

"(1) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(2) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(A) an area designated under section 332 as a health professional shortage area;

"(B) an area designated as a medically underserved area under this Act;

"(C) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1996.".

(c) HEALTH PROFESSIONS TRAINING GRANTS.—Part F of title VII (42 U.S.C. 295g et seq.) of such Act (as amended by subsection (b)) is further amended by adding at the end thereof the following new section:

"SEC. 790C. HEALTH PROFESSIONS INTEGRATION GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to eligible regional consortia to enhance and expand coordination among various health professions programs, particularly in medically underserved rural areas.

"(b) ELIGIBLE REGIONAL CONSORTIUM.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), an entity must—

"(A) be a regional consortium consisting of at least one medical school and at least one other health professions school that is not a medical school; and

"(B) prepare and submit an application containing a plan of the type described in paragraph (2).

"(2) PLAN.—As part of the application submitted by a consortium under paragraph (1)(B), the consortium shall prepare and submit a plan that describes the proposed use of funds that may be provided to the consortium under the grant.

"(c) USE OF FUNDS.—A consortium that receives a grant under this section shall use amounts received under such grant to establish or enhance—

"(1) strategies for better clinical cooperation among different types of health professionals;

"(2) classroom instruction on integrated practice opportunities, particularly targeted toward rural areas;

"(3) integrated clinical clerkship programs that make use of students in differing health professions schools; or

"(4) other training methodologies that demonstrate a significant commitment to the expansion of clinical cooperation among different types of health professionals, particularly in underserved rural areas.

"(d) LIMITATION.—A consortium that receives a grant under this section, shall use

amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (c) in the fiscal year preceding the year for which the grant is received.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $7,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1996.".

SEC. 506. AREA HEALTH EDUCATION CENTERS.

(a) STIPENDS FOR PERSONNEL.—Section 781(a) of the Public Health Service Act (42 U.S.C. 295g–1(a)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) The Secretary may award grants under this section to rural communities to enable such communities to provide stipends to physicians, nurses or other health professional trainees to encourage such individuals to continue to provide health care services in such rural communities.

"(B) A community that receives a grant under subparagraph (A) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.".

(b) REAUTHORIZATION.—Section 781(h) of such Act (42 U.S.C. 295g–1(h)) is amended to read as follows:

"(h)(1) For purposes of carrying out this section, other than subsection (f), there are authorized to be appropriated $40,000,000 for each of the fiscal years 1992 through 1996.

"(2) For purposes of carrying out subsection (f), there are authorized to be appropriated $12,000,000 for each of the fiscal years 1992 through 1996.

"(3) A contract entered into under this section after the date of enactment of this subsection shall require that the entity awarded such contract make available (directly or through donations from public or private entities), during the fourth and remaining years of the contract, non-Federal contributions equal to—

"(A) for the fourth year for which such contract is in effect, $3 for every $7 of Federal funds provided under the contract in such year;

"(B) for the fifth year for which such contract is in effect, $4 for every $6 of Federal funds provided under the contract in such year; and

"(C) for the sixth and subsequent years for which such contract is in effect, $1 for every $1 of Federal funds provided under the contract in such year.".

SEC. 507. RURAL HEALTH EXTENSION NETWORKS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1707. RURAL HEALTH EXTENSION NETWORKS.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to facilitate the development of networks among rural and urban health care providers to preserve and share health care resources and enhance the quality and availability of health care in rural areas. Such networks may be statewide or regionalized in focus.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) be a rural health extension network that meets the requirements of subsection (c);

"(2) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require; and

"(3) meets such other requirements as the Secretary determines appropriate.

"(c) NETWORKS.—For purposes of subsection (b)(1), a rural health extension network shall be an association or consortium of three or more rural health care providers, and may include one or more urban health care provider, for the purposes of applying for a grant under this section and using amounts received under such grant to provide the services described in subsection (d).

"(d) SERVICES.—

"(1) IN GENERAL.—An entity that receives a grant under subsection (a) shall use amounts received under such grant to—

"(A) provide education and community decision-making support for health care providers in the rural areas served by the network;

"(B) utilize existing health care provider education programs, including but not limited to, the program for area health education centers under section 781, to provide educational services to health care providers in the areas served by the network;

"(C) make appropriately trained facilitators available to health care providers located in the areas served by the network to assist such providers in developing cooperative approaches to health care in such area;

"(D) facilitate linkage building through the organization of discussion and planning groups and the dissemination of information concerning the health care resources where available, within the area served by the network;

"(E) support telecommunications and consultative projects to link rural hospitals and other health care providers, and urban or tertiary hospitals in the areas served by the network; or

"(F) carry out any other activity determined appropriate by the Secretary.

"(2) EDUCATION.—In carrying out activities under paragraph (1)(B), an entity shall support the development of an information and resource sharing system, including elements targeted towards high risk populations and focusing on health promotion, to facilitate the ability of rural health care providers to have access to needed health care information. Such activities may include the provision of training to enable individuals to serve as coordinators of health education programs in rural areas.

"(3) COLLECTION AND DISSEMINATION OF DATA.—The chief executive officer of a State shall designate a State agency that shall be responsible for collecting and regularly disseminating information concerning the activities of the rural health extension networks in that State.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for each of the fiscal years 1992 through 1996.

"(g) DEFINITION.—As used in this section and section 1708, the term 'rural health care providers' means health care professionals and hospitals located in rural areas. The Secretary shall ensure that for purposes of this definition, rural areas shall include any area that meets any applicable Federal or State definition of rural area.".

SEC. 508. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) as amended by section 507 is further amended by adding at the end thereof the following new section:

"SEC. 1708. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the cooperative that the entity intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative, a majority of whom shall represent rural providers from the local community and include representatives from the local community. Such directors shall serve at the pleasure of such members.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day the day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative; and

"(D) coordinating the membership and programs of the cooperative.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payers concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payers may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative estab-

lished under paragraph (a) in order to provide, through a member third party payer, health insurance coverage for employees of such entities. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing a malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management services, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(d) LINKAGES.—A cooperative shall create linkages among member health care providers, employers, and payers for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1992 through 1996.".

Subtitle B—Provision Relating to Social Security

SEC. 511. RURAL HEALTH CARE TRANSITION GRANT PROGRAM.

Section 4005(e)(9) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1395ww note) is amended by striking "$15,000,000" and all that follows through the end thereof and inserting "$50,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 512. ESSENTIAL ACCESS COMMUNITY HOSPITAL PROGRAM.

Section 1820(k) of the Social Security Act (42 U.S.C. 1395i-4(k)) is amended to read as follows:

"(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for each of the fiscal years 1992 through 1996.".

TITLE VI—INCENTIVES TO ENCOURAGE PREVENTIVE SERVICES

SEC. 601. PREVENTIVE SERVICES TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits), as amended by section 101, is further amended by inserting after section 34A the following new section:

"SEC. 34B. PREVENTIVE SERVICES CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year expenditures paid or incurred during the taxable year for any qualified preventive services which are included in the list under subsection (c) and which are not compensated by insurance or otherwise, as follows:

"(1) ELIGIBLE INDIVIDUAL.—In the case of an eligible individual, the amount of the credit allowable under this subsection shall not exceed—

"(A) $250, or

"(B) $200 in the case of a taxpayer with taxable income for the taxable year in excess of the maximum rate of taxable income to which the 15-percent rate applies under the applicable table under section 1.

"(2) QUALIFIED PREVENTIVE SERVICES PROVIDER.—In the case of a qualified preventive services provider, the amount of the credit allowable under this subsection shall be an amount equal to the product of—

"(A) the lower of—

"(i) the usual and customary charges for qualified preventive services, or

"(ii) the rate of payment established by the Health Care Financing Administration for qualified preventive services,

multiplied by—

"(B) the number of qualified preventive services provided without charge during the taxable year to qualifying low-income individuals.

"(b) DEFINITIONS.—For purposes of subsection (a)—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who is—

"(A) the taxpayer,

"(B) the taxpayer's spouse, or

"(C) any individual for whom the taxpayer is allowed an exemption under section 151.

"(2) QUALIFIED PREVENTIVE SERVICES PROVIDER.—The term 'qualified preventive services provider' means a medical practitioner, facility, hospital, laboratory, or similar institution licensed under State law to provide 1 or more qualified preventives services.

"(3) QUALIFYING LOW-INCOME INDIVIDUAL.—The term 'qualifying low-income individual' means an individual—

"(A) whose income level does not exceed 150 percent of the official poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved, and

"(B) with respect to whom identifying information is maintained.

"(c) QUALIFIED PREVENTIVE SERVICES.—

"(1) IN GENERAL.—For purposes of this section, the Secretary, after consultation with the Secretary of Health and Human Services and cancer research and prevention organizations, shall publish, not later than December 31, 1991, and annually thereafter, a list of preventive services which qualify for the credit allowable under this section.

"(2) PREVENTIVE SERVICES.—

"(A) IN GENERAL.—The list of preventive services which qualify under this section shall include at least the following:

"(i) Cancer screening tests.

"(ii) Childhood immunization.

"(iii) Well child care.

"(B) CANCER SCREENING TESTS.—The term 'cancer screening tests' shall include at least the following:

"(i) Physical breast examination and mammogram for female breast cancer.

"(ii) Digital rectal examination, proctosigmoidoscopy, and blood stool test for colon and rectum cancer.

"(iii) Rectal examination for prostate cancer.

"(iv) Pap test for uterine cancer.

"(v) Pelvic examination for ovarian cancer.

"(d) IDENTIFYING INFORMATION.—No credit shall be allowed under this section unless the qualified preventive services provider maintains, to the satisfaction of the Secretary, adequate records regarding the name and address, date of services, and type of services provided with respect to each qualifying low-income individual with respect to whom a credit is claimed.".

(b) COORDINATION WITH DEDUCTIONS FOR MEDICAL EXPENSES.—Section 213(e) of such Code (relating to coordination with health expenses credit under section 34A), as added by section 101, is amended—

(1) by inserting "and the amount (if any) of the preventive services credit allowable to the taxpayer for the taxable year under section 34B(a)(1)" before the end period; and

(2) by inserting "AND PREVENTIVE SERVICES CREDIT UNDER SECTION 34B" in the heading after "SECTION 34A".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code, as amended by section 101, is further amended by inserting after the item relating to section 34A the following new item:

"Sec. 34B. Preventive services credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 602. INCREASE IN AUTHORIZATION FOR CHILDHOOD IMMUNIZATIONS.

Section 317(j)(1)(B) of the Public Health Service Act (42 U.S.C. 247b(j)(1)(B)) is amended by striking "such sums as may be necessary" and inserting "$238,865,000 for fiscal year 1992, and $240,000,000 for each of the fiscal years 1993 through 1996".

DOMESTIC ECONOMIC PROBLEMS

Mr. DIXON. Mr. President, recently I had seven contractors in my office from around the country. They all said their business was now worse than it was even a little over a month ago when I spoke to the Associated General Contractors at their convention at the Adams Mark Hotel in St. Louis, and their business was terrible then.

Unfortunately, this is not an isolated example, Mr. President, and it is not limited to the construction and the real estate development sectors of our economy. Business is bad, and it is getting worse. Working Americans are anxious about their future, and they are justifiably worried about the security of their jobs and their future.

Unemployed Americans are even more anxious. They do not know how they are going to make ends meet, and they do not know how or when they are

going to find new jobs, particularly jobs that pay enough to meet their family needs.

Consumers have no confidence. The banking system is in terrible trouble, and business is as pessimistic as consumers.

What makes all of this worse is that this is a recession that is unlike any we have experienced in the past. This country, Mr. President, is drowning in debt. Government, business, and consumers are all in debt up to their eyeballs. As a country, we seem to have mortgaged our future, and that means that the standard economic remedies using Government deficit spending and lowering interest rates to get more money into the economy to get the country moving again do not seem to be working this time.

Think of it. We are experiencing the largest single-year Federal deficit in the history of our Nation. The Federal Reserve has cut interest rates not once, not twice, not three times, not four times, Mr. President, the Federal Reserve has cut interest rates five times in the last 2 years, pushing the discount rate to its lowest point in 18 years, yet the economy is weakening and not strengthening. The budget deficit is not making the economy better. It may even be making it worse.

As terrible as this recession is, it is not the only economic problem we face. Unfortunately, our fundamental economic problems will not be solved even when we eventually come out of this recession.

The administration likes to point with pride to the fact that until now this country enjoyed steady economic growth since the 1982 recession. Unfortunately, however, the average American did not seem to benefit from those 8 so-called good years, Mr. President.

The truth is that the average American has not benefited. Many families must now have two wage earners to equal a standard of living that their parents achieved with only one.

Mr. President, I have 3 children. All three are married, and in all three of those families both spouses work to support their children and their families. And even with two incomes, an increasing number of our citizens cannot achieve what every American family most wants. They cannot afford to buy their own little home.

The economy may have grown, but the real income of average Americans has gone down. It has declined. More and more working Americans are being priced out of the American dream.

What is needed, Mr. President, is a change of direction. What is needed is leadership. That is what the voters of Pennsylvania so dramatically told us last Tuesday. The Pennsylvania election results make it clear that the country wants us to address the problems of health care, education, and housing. Senator HARRIS WOFFORD's come-from-behind victory convincingly demonstrates that Americans want this Government to focus on making America—America—a better place, by fostering an economy that creates good jobs, by making Government leaner and more efficient, and by being honest with them.

Americans are justifiably concerned about their future and their children's futures. They need their Government to act. They expect their Government to act. They are entitled to have their Government confront these issues.

Government may be part of the problem, but, Mr. President, Government can also lead the way to solutions. That is why we elect a President. That is why I am in public service. Government, Mr. President, has to meet this challenge. We must act.

I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I thank the Chair.

(The remarks of Mr. GORTON pertaining to the introduction of S. 1930 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

The legislative clerk proceeded to call the roll.

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

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

HEALTH CARE

Mr. KENNEDY. Mr. President, our Republican colleagues in the Senate have finally announced a health care program. In taking this step, they have placed themselves miles ahead of the Bush White House, but they are still light-years behind the American people.

The Republican plan includes a number of good ideas. Many of these ideas are already included in the Senate Democratic leadership bill, HealthAmerica. Others deserve serious consideration. But the plan fails the two most basic tests that any serious proposal must meet—it will not guarantee the American people the insurance coverage they need, and it will not control health care costs.

Today, 34 million Americans have no coverage whatever and 60 million more have coverage that even the Reagan administration said was inadequate. Even families that have adequate coverage live in fear that the insurance that protects them today will not be there for them tomorrow. The sad truth is that no American family is more than one pink slip, one job change, one decision by the boss to cut costs, or one serious illness or accident away from being uninsured.

And the exploding cost of our wasteful system threatens to price health care out of the reach of the average American family, burdens American businesses, and threatens economic recovery and growth. Health care is going up twice as fast as wages. Health care spending by business actually exceeds corporate profits. We spend 40 percent more than Canada, 90 percent more than Germany, and more than twice as much as Japan on health care. Yet our citizens are more dissatisfied with our health care system than those of any other industrial country.

The Republican plan simply does not address these key problems adequately. The response to those who lack coverage, who have inadequate coverage, or fear the loss of coverage, is to provide tax credits to low-income people and to small businesses and to allow States to expand the Medicaid Program to the near poor. The middle class receive no assistance; taxpayers must bear the whole burden of expanded coverage; and business that will not cover their workers continue to get a free ride. Most of all, average Americans simply will not be guaranteed the health insurance coverage they need.

The program to control health care costs is seriously inadequate. There are four parts to the health care cost problem—cost shifting, unnecessary care, excessive administrative costs, and blank check reimbursement to providers. The plan does nothing to reduce cost shifting. Indeed, it saddles the taxpayers and businesses already providing coverage with billions in extra costs, without requiring all businesses to do their fair share. It ignores the problem of unnecessary care, and only waves at the problem of administrative costs. The most glaring omission is that it does nothing to restrain the blank check, open ended reimbursement to health care providers that is at the root of so much of our excess cost inflation.

The Republican plan offers a Band-Aid when major surgery is needed. You do not treat cancer with aspirin. It will take more than a garden hose to put out the wildfire ignited by the voters of Pennsylvania. The Republican plan is simply too little and too late. The message from the people is loud and clear. Comprehensive reform is needed. The American people as a whole are demanding basic change, and they can tell damage control from the real thing.

There is room for compromise and give and take. But there can be no compromising the American people's fundamental right to health care.

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

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

SOVIET AID

Mr. D'AMATO. Mr. President, there has been a lot of talk about what should be the proper role of this country in aiding the Soviet Union as it moves toward democracy with, hopefully, the fall of the Communist Stalin-style government that has been so threatening to the world, as well as enslaving to its own people.

As a matter fact, Mr. President, we have gone so far as to include in the defense authorization bill $1 billion—$1 billion—that will be made available to the Soviet Union. And I have to think that something is wrong. I think it is shameful. I think the cost of the cold war was borne on the backs of our middle-class taxpayers, and I am wondering how I can go home, if this armed services bill comes to the floor and passes, and say that I voted to authorize $1 billion to be spent and sent to the Soviet Union.

We have working middle-class families today who are barely getting by, who are scrimping and scraping together whatever they can in order to provide the opportunity for their youngsters to get a good education. They are having a difficult time sending their kids to schools, and many of them go out and get second mortgages and remortgage their homes. How do they save for their retirement? And here Congress now is going to decide to play Santa Claus to the Soviet Union.

I am not suggesting we do not have a humanitarian role to play, nor have we ever walked away from humanitarian needs. If we are talking about supplying food and loan guarantees for that, that is fine. If we are talking about desperately needed medical supplies, that is fine.

By the way, I would like to say that I think our Government had better wake up. I have an example in New York where 135 tons of first-class medical supplies have been waiting on the tarmac at Stewart Air Field. They have been there for several weeks. The Reverend Paul Moore of the City of Hope Program has collected $2.5 million in medical supplies to send to the children and victims of Chernobyl, and our Government still has not authorized the use of planes that are right there at Stewart. We are caught up in red tape.

This has been going on for 2 weeks already. The Soviets could not get a transport plane over here now. Now we have 2½ million dollars' worth of medical supplies on the tarmac, and maybe—maybe—the Ukrainians are going to get a plane over here and get some of it. These are medical supplies, 70 to 80 percent.

So here, where we do have an opportunity to do something—and I have spoken to the White House and various people in charge of the national security people—2 weeks plus go by, an outrage.

But yet, we take $1 billion of taxpayers' money, and some bureaucrat is going to decide what to do with the funds. This is terrific. This is supposed to make us feel good, because some bureaucrats have signed off on this, and some of our people who put this armed services bill together have come to the conclusion that we will take a billion dollars of taxpayers' money and we will make it available to the Soviets.

I think it is about time we began to say that we have to take care of our needs here. I do not relish the suffering of people in the Soviet Union. But let me tell you something: It has been Soviet aggression over 45 years that has brought about a situation that has strained our taxpayers, as well.

I think taxpayers now are saying: What are you going to do here? Instead of this country being forced into having to send $1 billion now, at this time, to the Soviet Union, you had better look at the unemployed shipbuilders. Let us look at the people in our States, the laid-off defense workers. What about job training for them? What about unemployment benefits for them? What about programs for working middle-class families?

Let us stimulate this economy here, and stop this nonsense that we are going to send $1 billion over to the Soviets, and put it in the defense bill. Somehow, that is supposed to make us feel good, because we are taking from defense and sending it to the Russians.

I am simply stating very, very clearly if that bill comes to the floor with that provision in there, I intend to work against it, to vote against that bill, and certainly to work to strike that provision. I will do everything I can to defeat it. It is wrong. I will use every means possible. This is absolute nonsense.

I think the people responsible for putting that in, they have lost their way. And the American people are saying: Wake up, those of you in Government, and listen to our cries for help. We have a lot of people who are going to be unemployed.

As it relates to the various economic pressures taking place, I have defense plants in Long Island that are in peril. The good Presiding Officer who sits here today has plants that are in peril in his State of Connecticut.

We have many, many people, through no fault of their own, who find themselves out of work. That billion dollars can go a long way toward helping the economy here, and our working, middle-class taxpayers.

Instead of sending it over there, maybe we ought to think of a way to see to it that we cut taxes or that we stimulate the economy or that we provide the unemployment benefits for those people whose benefits have run out. That is the kind of thing we can and should be doing. To be a great statesman at the expense of other people, that is easy. We better begin to take a look at seeing to it that we take care of the needs of our citizens.

So, Mr. President, before we go home we are going to have to take up this important bill, the armed services bill, and I have to tell you right here and now, I am not going to vote for $1 billion to send to the Soviet Union when, at the same time, in that armed services bill, we will be sending a message to workers in Connecticut who work in defense plants that they are not going to be there; we are going to send a message to people employed in Long Island aerospace companies that we are going to cut back on those programs, and they are going to be out. We are going to be saying to working, middle-class families: You go out and remortgage the house so you can send youngsters to school and give them an opportunity for an education; we are sending $1 billion today to the Soviet Union.

I have to tell you, we better get a grip on ourselves, recognize reality. It is cold out there. People are having a tough time. This bill, I tell you, sends a wrong signal. I think we are in the never-never land. We have not woken up as to what is taking place in the heartland of America, throughout America. Maybe it does us good to get out of here on weekends and go home and listen to working, middle-class families, struggling and working, looking for answers and leadership. Sending $1 billion of taxpayers' money to the Soviet Union is not the kind of leadership they are looking for.

Mr. President, the Congress, I think, will hear a lot more about this billion dollars when the American people find out. I would hope they will let their Representatives in the Congress know what they feel about this kind of situation.

Mr. President, I see another Senator who wants the floor. So I yield the floor.

HEALTH CARE REFORM

Mr. DURENBERGER. Mr. President, I rise to commend the leadership of my colleague from Rhode Island, JOHN CHAFEE, in putting together the health care reform package he introduces in the Senate today.

No one should underestimate the difficulty of what Senator CHAFEE has done here today. Putting together a comprehensive health package is without a doubt the most daunting of legislative challenges.

Our American health system is so massive and complex and has so many interconnected problems that designing an approach to reform involves

many difficult choices. What the Senator from Rhode Island has done is persevere through that struggle and bring together the views of many of our colleagues.

His contribution to the effort to reform the American health system is that with the presentation of this package, he moves us out of the debate stage and hopefully into the action phase of health reform.

The legislation he introduces today with a number of Senators includes five concepts which I strongly support.

First, building up our health infrastructure. The package expands funding for the National Health Service Corps and community health centers, and it creates a block grant program to get more doctors into professional shortage areas.

Second, Tax Code changes. We need to help make insurance more affordable to the consumer and the business owner and tax credits are one of the ways to do that.

Encouraging managed care. State laws now stand in the way of managed care plans. The package would help define approved managed care plans, and exempt them from State law.

Fourth, small group insurance reform. Similar to my own S. 700 and the Bentsen-Durenberger bill, S. 1872, this package would guarantee availability and renewability of health insurance for small businesses and put limits on experience rating. State insurance mandates would also be preempted for a defined basic health package.

Fifth, increased State flexibility. We need State experimentation in alternative ways to financing health care. The package would create a waiver board to facilitate State Medicaid demonstration projects.

Mr. President, at this stage in the process, what is in the Chafee bill is more important that what is left out. The bill does not include a financing plan. It makes a somewhat less than specific commitment to cost control. And I believe its sections on public programs and medical liability reform can be improved.

But the value of the package that the Senator from Rhode Island has put forward is that it clearly identifies, for the first time, the items on which the two parties agree.

It should be clear to all Senators that a legislative effort as difficult as health reform is not going to proceed on a partisan basis. If we do not have bipartisanship, we just do not make progress.

Today, for the first time, we can lay two packages side by side, the Mitchell-Rockefeller-Kennedy-Riegle HealthAmerica bill and this Chafee bill and identify the areas of agreement.

They are:

Tax deductibility for the self employed;

Small group insurance reform;

Encouraging managed care; and

Steps to build up our health infrastructure.

Mr. President, that is the Senate's near-term agenda for health reform. Today we have at least closed that loop. I now urge my colleagues to come together across party lines, and for the administration to join with us in setting in place a plan to tackle these issues over the next year.

Senator CHAFEE has given us the opportunity to turn bipartisan agreement into action. Let us seize the opportunity.

RESPECT FOR COMMUNITY VALUES

Mr. DURENBERGER. Mr. President, in our current political discourse, we hear a great deal about individual rights, but much less about personal responsibilities. We hear a lot about what laws to pass, and much less about respect for community values.

When we do discuss moral values, the issues are often framed in terms of individual rights versus the community. Then we hear calls for suppression of speech or the banning of books or ideas in the name of morality.

Mr. President, the community need not be pitted against the individual. Indeed, Amitai Etzioni, a renowned sociologist, has pointed out that we cannot have individual freedom without shared values that assure respect for one another's rights and that recognize personal and collective responsibilities toward others.

Mr. President, I want to tell my colleagues about some young people that I know, students at the University of Pennsylvania, and how they resolved a conflict of values constructively.

The story begins with a song, a song with a long tradition among fraternity men, a song that happens also to glorify rape.

Previously, the fraternity sung the song only at private events. However, this fall it was sung at football games in the presence of families and friends. It was again performed at a party at the chapter house.

This song shocked, offended, and hurt women on the campus. After hearing its words at a party, the women of Kappa Alpha Theta met to discuss their reactions. The considered a variety of actions. The decision was to communicate their disapproval directly to the members of the fraternity. The women did not ask for intervention of the usual social forces of the university or the media, all with the power to either discipline or punish. Nor did they seek to publicly humiliate the men. Rather, they directly and clearly stated their views in a letter and decided to terminate social interactions with the fraternity.

I would like to read to you from a letter written just 2 weeks ago. It is a letter to the fraternity from Rebecca Foote, the president of Kappa Alpha Theta, and happens to also be the daughter of a member of my staff.

I picture my own sons having to read this letter at some fraternity.

It reads:

I am writing on behalf of the sorority in regard to the crude and offensive song that you insist on singing at public events. I realize that this has been a tradition in your fraternity, and that many of you consider it to be harmless. However, I urge you to reconsider your position on a tradition which is destructive for a number of reasons.

In light of the recent focus on the fraternities role in acquaintance rape, and the heightened awareness of violence toward women on this campus, the song is entirely inappropriate. By singing it, you are seriously jeopardizing the integrity of the fraternity as well as that of the entire Greek system. But even more importantly, you are sending out a powerful message to women about the way they are viewed, and the way they should expect to be treated by your fraternity.

Having listened to the complaints of my sisters, and having heard some of the words of the song, I still could not fathom its full impact. It was not until yesterday afternoon at your party when it was sung in my presence, that I understood. For any woman who has been raped or sexually harassed, the words are painfully reminiscent. How can you expect this blatant show of disrespect not to be taken seriously?

As I have given this issue much consideration, I am asking that you do the same. I hope that you will have the courage to stand up for what is right, and make a conscious effort to change.

In addition to condemning the song, the sorority canceled a scheduled mixer at the fraternity house.

Mr. President, the men responded on the same day. After much soul-searching, they apologized privately in a letter to the sorority and publicly in the school newspaper, the Daily Pennsylvanian. They admitted the song supported a long-standing tradition in the house, but "now realize that traditions which disgust members of the community" and "legitimate the subjugation of women" are unacceptable. They agreed to participate in a joint workshop to raise awareness of issues of rape, sexual assualt, and sexual harassment.

I ask unanimous consent, Mr. President, to have these letters printed in the RECORD.

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

KAPPA ALPHA THETA, BETA ETA CHAPTER, UNIVERSITY OF PENNSYLVANIA,

Philadelphia, PA, October 20, 1991.

To the Brothers of Pi Kappa Alpha:

I am writing on behalf of the sisters of Kappa Alpha Theta in regard to the crude and offensive song that you insist on singing at public events. I realize that this has been a tradition in your fraternity, and that many of you consider it to be harmless. However, I urge you to reconsider your position on a tradition which is destructive for a number of reasons.

In light of the recent focus on the fraternity's role in acquaintance rape, and the heightened awareness of violence toward women on this campus, the song is entirely inappropriate. By singing it, you are seriously jeopardizing the integrity of Pi Kappa Alpha as well as that of the entire Greek system. But even more importantly, you are sending out a powerful message to women about the way they are viewed, and the way they should expect to be treated by your fraternity.

Having listened to the complaints of my sisters, and having heard some of the words of the song, I still could not fathom its full impact. It was not until yesterday afternoon at your party when it was sung in my presence, that I understood. For any woman who has been raped or sexually harassed, the words are painfully reminiscent. How can you expect this blatant show of disrespect not to be taken seriously?

As I have given this issue much consideration, I am asking that you do the same. I hope that you will have the courage to stand up for what is right, and to make a conscious effort to change.

Sincerely,

BECCA FOOTE,
President, Kappa Alpha Theta.

OCTOBER 20, 1991.

Becca Foote,
President, Kappa Alpha Theta, Philadelphia, PA.

DEAR SISTERS OF KAPPA ALPHA THETA: On behalf of the Brothers of Pi Kappa Alpha I would like to apologize. After much discussion and deliberation, the Pika brothers have unanimously agreed that our "song" is both disrespectful and inappropriate. In light of our new awareness, we agree never to sing the song in public again.

Our new consciousness stems from the fact that parts of the song legitimate the fundamental subjugation of women. The brothers of Pi Kappa Alpha do not wish to associate themselves with such demeaning attitudes. We sang the song to support a long-standing tradition in our house. However, we now realize that traditions which insult and disgust members of our community are unacceptable. As a group, we apologize if our lack of consideration has negatively affected any sisters of Kappa Alpha Theta. Hopefully, our amiable relationship has not been irreparably damaged.

In conclusion, the brothers of Pi Kappa Alpha would like to learn more about this issue. We want to be enlightened about the issues of rape and sexual harassment. Would the sisters of Kappa Alpha Theta participate with us in a joint STAAR workshop? I am certain that such a workshop would raise the brotherhoods' awareness. Once again, I apologize on behalf of the brotherhood and I look forward to working pro-actively with you to address this most-pressing issue!

Sincerely,

JOHN F. GAMBA,
President, Pi Kappa Alpha.

SORRY FOR OFFENSE

TO THE EDITOR. On behalf of the brothers of Pi Kappa Alpha, I would like to issue an apology to the Penn community. After much discussion and deliberation, the PIKA brothers have deemed a traditional "song," which describes explicit sexual acts, both disrespectful and inappropriate. In light of our new awareness, we unanimously agree never to sing the song in public again.

Our new consciousness stems from the fact that parts of the song legitimate the subjugation of women. The brothers of Pi Kappa Alpha do not with to be linked with such demeaning attitudes. We sang the song to support a long-standing tradition in our house. However, we now realize that traditions which disgust members of our community are unacceptable. As a group, we apologize if our lack of consideration and sensitivity has negatively affected anyone on our campus.

Unfortunately, there have already been adverse effects due to our lack of foresight. The sisters of Kappa ALpha Theta, besides simply condemning our song, have decided not to participate in a scheduled mixer at our chapter house.

In an effort to show our deep concern for this issue the brothers of Pi Kappa Alpha have asked the sisters of Kappa Alpha Theta if they would participate in a joint STAAR workshop in the near future. I am certain that such a workshop would raise the brotherhoods' awareness on the issues of rape, sexual assault and sexual harrassment.

Once again, I apologize to the Penn community and I look forward to working proactively in the future to address this most pressing issue.

JOHN GAMBA,
President, Pi Kappa Alpha.

Mr. DURENBERGER. These young people never called on the college authorities to intervene. They never called home to their parents or to the parents of these young men. They did not call on the university, the local government, the State government, or the Federal Government. They did not ask to silence the offenders by using the law. They did not convert the debate to one of first amendment rights versus morality. These young women appealed to higher values and used the consciousness of the community as a moral voice. As Dr. Etzioni has described, moral voices get their power through persuasion and education, not force.

Of course, there remains a role for law. Law can reinforce community values and, where necessary, protect individual rights. Laws condemning practices such as sexual harassment can strenghten the community's resolve. Indeed, the laws prohibiting sexual harassment gave a name to an old problem, and a vocabulary to expressly condemn it. It has been said that values are sutured to the law. At their best, they can be mutually reinforcing.

Yet, law will not create values when values are absent, nor can it replace them when they have been lost or abandoned. When communities reach the point where moral responsibilities must be enforced by State power, we are in deep moral crisis.

Mr. President, as a society we have not always done well by our young people. We do not consistently provide a moral environment nor are we always perfect models for them to emulate. However, I think we can all be uplifted by the example of these young women and men at the University of Pennsylvania. They represent, in the words of Abraham Lincoln, "the better angels of our nature." There is much we can learn from them.

A DEFENSE AUTHORIZATION BILL SETASIDE

Mr. EXON. Mr. President, let me take a few moments, if I can, to try to put into some logical perspective what looks like a new firestorm breaking out in the U.S. Senate and the House of Representatives with regard to the defense authorization bill.

As a member of the Armed Services Committee I had a great deal to do with putting together that most difficult compromise that we had. And there are many things about the bill that I am not enthusiastic about. But under our system we have to get together and come to some kind of agreement when the House and the Senate do not see eye to eye.

One of the things that I had little if anything to do with in that conference was the $1 billion set-aside programs from the total budget to be used as the Secretary of Defense, and/or the President of the United States so desire.

I am always fearful and I am always concerned, Mr. President, when I see any hint of demogoguery or any hint of outright partisanship for partisan political gain breaking out with gestures of indignation by either Senators on this side of the aisle or that side of the aisle.

It may well be that the $1 billion—I heard by rumor, and I do not know whether it is true or not, that some on the other side of the aisle said that they would filibuster the whole defense authorization bill with all the important matters contained therein, unless that $1 billion caveat is removed.

It may well be that the conferees did not take as close a look at this proposition as we should. It may well be, for the sake of moving the Defense authorization bill, that that $1 billion controversial item should be removed. So I am not arguing, necessarily, for or against the proposition. I am simply trying to put in perspective, in a nondemagogic way, what actually happened from the understanding of this one Senator.

The $1 billion is out of—in round figures—a $300 billion defense budget. One billion dollars of that was to be set aside as originally proposed, I believe, by the chairman of the House Armed Services Committee, Congressman ASPIN of Wisconsin. It was Congressman ASPIN'S desire, as I understand it—although he never talked to me about it either personally or in conference—that with the fact that we are trying to do everything we can in the Armed Services Committee to have a systematic builddown of the nuclear devices on each side of the ocean, and despite the fact that peace has seemingly broken out all over, as many people have said there is still only one Nation in the world as of now who still has a trigger that they could pull that would literally destroy the United States of America in a matter of maybe 30 minutes or 40 minutes.

So to think that there is not still some kind of a threat or a potential threat—although I do not think it could happen—to think that it is impossible or that we can ignore it is something I think would be very shortsighted indeed.

Therefore, I think the facts of the matter are that of the $1 billion that is now attracting a great deal of attention there could not, there will not, and there cannot be one penny of that money spent without the approval of the Secretary of Defense and the President of the United States.

So let us for a moment, if we can, take a step backward from the brouhaha that is about ready to break out, and recognize the proposition as sincerely advanced by the chariman of the House Armed Services Committee and accepted by the Senate members of the House Armed Services Committee. In fact, I must say with all of the other highly controversial matters that we have, I was not in on the discussion with regard to the $1 billion bombshell.

But suffice it to say, so all understand, whether or not this remains in the bill when it comes to the floor of the Senate or when introduced for approval in the House of Representatives, there is not one penny of this money that is going to be thrown away or give away or wasted or stolen from some other program, worthy or not, unless the Secretary of Defense and the President of the United States approves such an expenditure.

As I understand this measure, what it basically does is provides nothing in the form of a giveaway. It simply provides $1 billion out of a $300 billion defense program that is earmarked and can be used by the Secretary of Defense and the President of the United States—and the Secretary of Defense and the President of the United States only—before any or all of the $1 billion could be expended.

I also understand that this $1 billion does not provide nor does it authorize, even with the appproval of the President and the Secretary of Defense, that one penny of that could be spent for providing anything of value to the citizens of the Soviet Union. This money, it simply says, can be used at the discretion of the Secretary of Defense and the President of the United States only to provide necessary fuel costs and other logistic expenses that would be necessary to transport something of value—probably food—to the Soviet Union, especially during this terribly hard-hit period that they are going through.

So I think it should be emphasized that this is not a giveaway program. It merely provides the tools, if the President of the United States and the Secretary of Defense want to use them, to provide some fuel for transportation costs, should the President of the United States and the Secretary of Defense feel that it would be in the interest of the United States to provide some fuel to transport but not buy food, clothing, and medical supplies at a time when the Soviet Union obviously is in great unrest. Let us think a little bit.

Oh, it would be very politically popular—popular indeed—to come smack out against any kind of a giveaway. This is not a giveaway. Since it specifically stipulates that the Secretary of Defense and the President are the only ones that can spend a penny of it, it clearly is intended that they would not expend any of the funds unless the President of the United States and the Secretary of Defense thought it was in the national Security interests of the United States to do so.

To put it another way, Mr. President, it just might be, come next January or February, if we have another massive revolution or happening in the Soviet Union that would be against the interests of the United States that would further threaten the United States if the wrong person got too close to the nuclear trigger that maybe, just maybe the Pesident of the United States and the Secretary of Defense would think it might be wise for us to buy enough fuel to fly something of value to someplace in the Soviet Union that might quell an uprising or an overthrow movement that would not be in the interest of the United States and peace and tranquility on the whole.

So I hope, Mr. President, while this is not a project that I was involved in and was not a project I actively supported, it is not a project that I feel would be the end of the world before the bill is presented to the House and Senate if it is withdrawn.

I just want to calm the water, if I can, of mob-like actions riding on the floor of the House of Representatives and the floor of the U.S. Senate for demagoguery of political purposes that might serve some of those who should know better and hopefully they will know a little better after I have made these remarks to calm the waters.

Certainly, I would think and hope the chairmen of the House Armed Services Committee and the Senate Armed Services Committee would consult, once again, with the Secretary of Defense, who said that he wanted and approved the passage of this agreement as part of the conference report, to check with the Secretary of Defense again and, indeed, check with the President of the United States, and see whether those two top officials in whom we place a great deal of confidence and responsibility to be in a position to do things on short notice if they, as our two principals for national security, feel it would be in the interest of the United States.

Therefore, Mr. President, I hope that some will hear my plea. I hope that some will have some understanding. I hope that some might come to the floor of the U.S. Senate to try to give further explanation to this, if necessary, rather than let the political campaign fires burn on the floor of the U.S. Senate for some partisan advantage. When it comes to national defense, this Senator, and I think most of us in this body, recognize that partisanship should and, for the most part, does end when we go beyond the shores of the United States.

I have every confidence, Mr. President, that the Secretary of Defense and the elected President of the United States would not and should not use any of these simply earmarked funds unless they thought it was absolutely necessary from the standpoint of humanitarian interests and even more so the overall national security interests of the United States whether we like it or not are very much tied in with what goes on in the Soviet Union today, especially with regard to their significant stockpile of nuclear devices.

I thank the President, and I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank my distinguished colleague who so patiently waited and yielded the floor, Senator NICKLES from Oklahoma. But I feel compelled to respond to the assertions that this billion dollars in the defense budget is something that belongs there.

I have a letter, a "Dear Colleague" letter, from Senator NUNN sent to all of us dated November 4, 1991, in which the chairman of the authorization committee sets forth the plan for the billion dollars going to the Soviet Union. He says, "The Secretary of Defense has discretion on how much would be spent under this provision, which in no case could exceed $1 billion."

That is a lot of money. I am going to say I am not ready and willing to just turn that billion dollars over.

Let me just touch on a couple of points as to what this billion dollars can be used for. I am not so sure that there are not even more things that it can be used for. Page 2: (b) it says:

> Modest economic incentives for U.S. private-sector investment in the Soviet and Eastern European military conversion, and recommendations to Congress for enacting such incentives (authority to implement any such recommended program would require a subsequent congressional act).

"Modest economic incentives for U.S. private-sector investment in the Soviet and Eastern European military conversion"—we better begin to make some modest investment incentives here in America's defense plants that are closing down.

If we want to take a look and see what is taking place, the unemployment figures—you do not want the B–2? Fine, vote the B–2 out. How many thousands and thousands of Americans

are going to be out of work? I am not suggesting that we keep the B–2 or any other defense program just to keep people employed, but let us understand we are going to make available resources so that they can have incentives for the United States private-sector investment in Soviet and Eastern Europe military conversion. We better get some incentives in the United States.

I look at—

(c) other ways to facilitate private-sector investment in conversion, including contacts with Soviet and Eastern European authorities at all levels, establishing data bases on investment opportunities, and removing redtape, licensing barriers and other impediments to such investment.

Let me tell my colleagues, there is not a businessman in this country who would not say to you, if you want to help this economy, get rid of some of the redtape. Let us look at what we can do here.

(3) limited technical advice on helping the Soviets and Eastern Europeans retrain military personnel involuntarily separated as their militaries are down-sized; U.S. funds would be used only for providing technical advice, not for any actual retraining or other benefits.

Again, Mr. President, I want to suggest to you that if we go forward with this, there should be a rebellion. It is the working middle-class taxpayer footing the bill. There are factories throughout New York—barely hanging on, and indeed there may be substantial cuts over and above what has already taken place, and we are talking about training people in the defense industry in the Soviet Union and giving them assistance? We better be working with companies here, defense contractors throughout this country in providing training and assistance.

This is incredible. Technical advice on helping the Soviets and the Eastern Europeans retrain military personnel who lost their jobs. We are talking about a cutback I think in the area of three-quarters of a million men and women who are in the military today who are going to be involuntarily separated. What are we going to do with them?

Unemployment is at historically high levels, and we are talking about helping the Soviets. Now look, I am not opposed to providing assistance, humanitarian assistance. Nobody is. But when we get to a situation where we are going to delegate, I do not care to whom—I was not elected to delegate my authority, nor were the Members of this Congress, to the Secretary of Defense or to anybody else.

I will discuss some of those things when that bill comes over here. And now we are going to give $1 billion away. I do not care what you call it, that is what this says, $1 billion. I just picked out three or four of these areas. As it relates to job training, I say we have job training to do right here. If you pick unemployed, we have unemployed right here. If you want to find an area where you can fund the $1 billion, here it is. Here is $1 billion. If the Defense Committee wants to give it up, let us give that up because we were saying we do not know where to fund the $1 billion to extend the benefits. You want to talk about job training, talk about military personnel laid off. We are going to have a lot of people laid off, a lot of people involuntarily separated. What about them? What about the terrible dislocation that takes place to working middle-class Americans.

So I just say that this may be well-intentioned, and I am not suggesting to you that it is not well-intentioned. I am not suggesting to you that there may not be some areas where we have vital national security interests related to the Soviet Union. But I am not ready to open up what amounts to a blank check of $1 billion, and that is what this is. This is a blank check. These safeguards are not safeguards.

I yield the floor.

Mr. NICKLES and Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma, who has been standing for some time.

Mr. NICKLES. Mr. President, how much time does the Senator from Nebraska wish?

Mr. EXON. The Senator from Nebraska would need possibly an additional 2, 3, no more than 5 minutes, if the Senator will yield for that purpose.

Mr. NICKLES. I have been sitting here for a long time. If the Senator will keep it to 2 minutes, I will be happy to yield.

Mr. EXON. Does the Senator want 2 minutes?

Mr. NICKLES. No, I want 15.

Mr. EXON. The Senator from Oklahoma was recognized by the Chair in the wisdom of the Chair. I do not dispute the wisdom of the Chair. Normally speaking, we go from side to side on these kinds of matters. The Senator from Oklahoma was not on the floor when the Senator from Nebraska started speaking. The Senator from Nebraska seeks recognition to respond to the Senator from New York. If the Senator from Oklahoma wants to talk for 15 minutes, I will sit here and listen.

I yield the floor.

Mr. NICKLES. I would be happy for the Senator to respond but the Senator from New York asked for 2 minutes and took a few, and I would like to make a few comments as well on this issue.

Mr. D'AMATO. Mr. President, if I might——

Mr. EXON. The Senator's mistake was in yielding to the Senator from New York.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

THE DEFICIT

Mr. NICKLES. Mr. President, I thank the Chair.

First, I wish to comment on the subject matter just discussed by both the Senator from Nebraska and the Senator from New York. I compliment the Senator from New York. I think that $1 billion in discretionary authority to the President or the Secretary of Defense, for the aid of the Soviet Union is a ridiculous idea.

Mr. President, my reason for rising today was to talk about the deficit, an issue my colleagues from Nebraska and New York talked about at length. We have serious problems. We are spending a lot more money than we are taking in. Last year's figures, just reported from the Treasury Department, said that we spent $268 billion more than we took in—$268 billion worth of deficit last year.

And then we hear something about, allocating the Department of Defense $1 billion for economic assistance to convert the Soviet military without any assurances whatsoever that they are going to quit making their SS–24's or SS–25's, no assurances that they won't use some of their money to create offensive weapons to be directed at the United States. And we are going to assist them economically, militarily, and in some other manner for other purposes.

I think that is ridiculous. That is one of the craziest of ideas. That idea is not something this administration requested. That idea is something that came from the House, and, unfortunately, it looks like the Senate conferees may be willing to agree with it. My guess is, when we get it to the floor of the Senate, it will not be agreed with. I think it is a crazy idea, one that we cannot afford, and one that we should not afford even if we had the money.

Mr. President, again my reason for rising is the fact that, yes, we completed the fiscal year at the end of September, and although a lot of comments are made on the floor, I have heard very few about the fiscal problems that we have, very few about the deficit. I hear people complain about it. But the people who complain about the deficit are the same ones who say let's pass unemployment comp, not even pay for it and add $6.5 billion to the deficit next year.

So what, when you are already a couple hundred billion dollars in debt, what is a few more billion. This, or any other program. We just put programs on automatic pilot without really considering what it does to the deficit, what it does to the future obligations of this country and future generations. I find that irresponsible. I find that unacceptable.

Some of us happen to think we have to live within our means. Some people say that is impossible. It is not impos-

sible if we just show a little more courage. True, the figures are staggering. We actually had a balanced budget in 1969–70. You can see on this chart that receipts have grown but the outlays have grown even faster.

I have heard some of my colleagues say, well, that is because we cut taxes in 1981, or because we reduced the tax rates. I beg to differ. Just looking at the last 10 years, outlays have grown 96 percent. Receipts or revenues have grown by 76 percent.

Thus, revenues have been compounding at a very good growth rate, but outlays have been compounding even faster, and that is the problem. To give you an example, in the year just completed we set a record deficit of $268 billion. But the deficit is only symptomatic of the fact we are spending a lot more money than we are taking in. Outlays last year grew at 5.7 percent. Receipts or revenues grew at 2.2 percent. For that reason we have seen a 21-percent increase in the deficit. Outlays are growing faster than receipts or revenues. Upon hearing this, a lot of people act surprised. They say, wait a minute. Did we not last year pass a big deficit reduction package? I heard people on the floor of the Senate last year state that this is the biggest deficit reduction package ever passed in history. This package is going to reduce the deficit by $500 billion.

What they did not say is that we allowed outlays to increase rather significantly in the first couple of years and then supposedly we are supposed to have outlay reductions in the third, fourth, and fifth year. We are now seeing an enormous increase in the first couple years and that is the reason we are looking at staggering deficits for these years.

Mr. President, I have several charts I wish to insert in the RECORD. I do so for educational purposes—for our colleagues, and also for the public, so they can see where their money is going and also so they can have a better idea, a better comprehension of what has actually caused the deficit, where the money is going, and why the deficit is increasing at such an enormous rate.

Mr. President, I will include in these charts a month-by-month summary that shows how our spending and revenues compared this year to last year.

I will also include an outlay chart that shows branch by branch how much spending was in 1989, what it was in 1990, and what it is in 1991. It probably would not surprise anyone to find that spending has increased in almost every area—every area except for defense. We have a significant reduction in defense mainly because we show net outlays in defense. We have had significant contributions from the war in the gulf from our allies. I might mention some of the other outlay increases. We had a total outlay growth last year of $70.7 billion.

(Mr. KOHL assumed the chair.)

Mr. NICKLES. I might mention that the growth of total outlays minus defense and RTC was $94.4 billion, a 10.3-percent increase over 1990. Again I take defense out because of a distorted defense picture due to $43 billion we received from our allies. I take out RTC because I do not agree that it should be included.

Funding of RTC and FDIC is a little confusing because every dollar that is expended is counted as an outlay. When we sell those assets, we count that as a receipt. That's funny accounting. That's not realistic accounting. It should not be accounted for in that manner, but for some reason it is.

The point is, if you take out defense and if you take out RTC expenditures, total growth in spending equals 10.3 percent.

I will go through some of the figures. Department of Treasury, where we fund our debt, 8.5-percent increase; veterans affairs, 7.6-percent increase compared to last year; Environmental Protection Agency, 13-percent increase; NASA, 11.7 percent; Office of Personnel Management, 8.9 percent; Federal Deposit Insurance Corporation, 35-percent increase.

I might even spell out some of the largest outlay increases, and I will include this chart for the RECORD.

The Food Stamp Program went from $15.9 to $19.6 billion. That is a 23-percent increase. Some people say we are not showing compassion. How compassionate are we? We had a 23-percent increase in food stamps.

I might mention unemployment benefits. I have heard people say well, they need a big increase. I wonder if my colleagues are aware of the fact that in 1990 for unemployment we spent $17.2 billion, and in 1991 we spent $26.1 billion. That is a 46-percent increase.

I might mention, too, Social Security insurance and disability payments went up by 8.1 percent, an increase of $19.7 billion. Medicare went up $6.8 billion, only a 6-percent increase. I thought it would be much higher than that.

Listen to this. Medicaid went from $41.1 to $52.5 billion, an $11.4 billion increase. That is a 27.8 percent increase. A 27.8 percent increase in Medicaid?

A lot of States are dumping Medicaid expenses on the Federal Government saying, "Uncle, you pay it all." This is supposed to be a cost-sharing program split between the Federal Government and the States. But a lot of States are abusing the program. There is no control over it; no control.

A lot of our colleagues who are saying "Let's get the deficit down," are also endorsing legislation that says "Wait a minute. We don't want to have any regulations that would curtail this scam that many States are perpetrating on the Federal Government, on the taxpayers today." They have the idea if it comes from Uncle Sam it's free; if it comes from the State, that's a problem; if it comes from the local community, that's a problem; but if it comes from Uncle Sam, it doesn't make any difference, it's free. That money is not real, and who cares about the Federal deficit?

This Senator happens to care about the Federal deficit. I think we need to get this body to care more about the Federal deficit. I think we need to get the Congress to care about the Federal deficit. Some people will start talking about the economy, and what we can do about it if the Fed lowers interest rates. They are handling the monetary policy, but we handle the fiscal policy. I say we; that is Congress.

A lot of people want to blame the President, but the Congress is the one that passes all the appropriations bills. We spend the money. We also raise the taxes. It is Congress that controls the fiscal policy. And this deficit is living proof that Congress had done a crummy job in fiscal policy; Congress, with a capital "C."

Maybe the administration has some blame, but it is Congress that spends the money, that raises the taxes; it is Congress that passes entitlements and allows them to grow totally without control.

As a result, we are looking at a national debt that is continuing to increase. This year we are looking at $268 billion; next year the deficit is projected to be about $350 billion. Yet evidently that is not enough, because there are countless proposals to increase that deficit more. Many people are saying "let's prime the pump, the economy is soft."

I know the economy is soft, but how can you prime the pump by spending money that we do not have? That well is already dry. The taxpayers are dry. They don't want more debt. They don't want more taxes. Yet people keep saying, what can we do? How can we spend more money? We want to go out and give refundable tax credits to everybody in America so they can buy more for Christmas and get this economy jump-started. Just increase the deficit that much more. Who cares? It'll be paid by future generations.

Now that people are talking about having more defense savings, some say let's use that money; we will use that money for a great economic boost. I say, what about using some of it to reduce these deficits?

I think these figures are horrendous. And I think we have to be more responsible. Yet some people say we just cannot do enough, and let us spend more money.

I remember when George McGovern proposed a refundable tax credit. A lot of people laughed at him and said, "Wait a minute. We cannot afford that." Yet now that idea is very popular. Yes, that's going to give a lot of benefits to a lot of people. Sure.

Why don't we pass a bill that gives refundable tax credits, $1,000 for everybody; regardless of whether or not you pay taxes, we are going to give everybody $1,000, and we are going to get this economy going. Make our money out of paper, make it worthless. And increase these deficits to proportions even greater than they are today? That's how irresponsible some people are being, so many of our colleagues, and so many people across the country.

Moving to my next chart of gross Federal debt, we are looking at $3.5 trillion. That figure is escalating at a rapid rate, though some in Congress think that is not enough. I think it is enough. I think it is time we start trying to turn it around. We need to turn it around.

My next chart is Federal debt per capita. When you start talking about trillions of dollars, about figures that have 12 zeroes behind them it is beyond most people's comprehension. That's why I talk about per capita. Do you realize that in 1990, per capita debt is about $13,000 for every man, woman, and child in the United States. Do you realize that in 1991 it is going to be over $14,000, for every man, woman, and child in the United States.

How many people are going to go to their constituents and say, "Look what I have done for you lately. You and your children, each and every one, regardless if they are taxpayers, regardless if they are 3 years old, owe the Federal Government $14,000. Haven't I done a great job for you? Oh, yes, would you please reelect me?" That's really what's important.

I think people are sick and tired of it. I think when people are talking about the results of this election, they ought to underscore the fact that people are a little disgusted about what is happening in "business-as-usual D.C." They do not like seeing the debt go up. They do not like seeing us spend money that we do not have. They do not like us interfering in their lives at such a point that either they are going to become slaves of the Government or we are totally mortgaging the future of their children where they will have to work just to pay the interest on the debt.

Some people say that our debt is too great, and evidently we need to increase taxes. They think we have not increased taxes enough. I will show my colleagues another chart of income taxes and other receipts. You see that they have grown every year from 1980 through 1990. Taxes continue to escalate. They did not grow as much between 1990 and 1991, last year, because yes, our country was in a recession.

The tax increase we passed last year that was supposed to reduce the deficit did not reduce the deficit. It helped contribute to a recession. It put more people out of work. It was supposed to raise more money, but that was not the result. You see the Federal taxes per capita have continued to escalate. Thus, I don't really think the solution to this deficit is raising more taxes.

As I mentioned already, taxes in the last 10 years have grown by 76 percent. So we have had tax increases. Workers have had enormous Social Security tax increases—taxes on wages. I do not really think the solution is just more and more tax increases to close this deficit gap.

I want to close it. I think that with a $268 billion deficit this year, and a deficit of $363 billion next year, I do not think the way we should close that gap is through more taxes.

Some of my colleagues have talked about an economic recovery package. Some are introducting an economic package today. I would just say we should follow a couple of guidelines if we do that. If we are going to make some tax changes, one of those changes is that we not have any tax increase because most tax increases have been counterproductive. They have not raised money. They have lost money.

We are beyond that marginal area where, if you increase taxes more, you are going to reduce the total net revenue to the Federal Government. We saw that last year. We passed excise taxes on a lot of different items, such as yachts and whatever, and those industries went down. They employed less people. They are not paying income tax now.

The Senator from New York made mention of the defense industry. A lot of those people are going to be unemployed, so they are not going to be paying tax. So when people are talking: Hey, what can we do? I think we need to look at guidelines. One, not to have a tax increase.

Just the very idea that Congress might be considering a tax package sends chills throughout American industry, because they happen to know that Congress keeps looking to corporations to carry the load. And so, as a result, they further cut back on their activity; therefore, they unemploy more people, or they employ less people, more people are in the welfare lines, more people are drawing food stamps and unemployment compensation, and the result is we have exacerbated the deficit instead of working our way out of it.

I happen to think there are tax changes we can make that would raise more money for the Federal Government and help stimulate the economy. I think reducing the capital gains is one. Using IRA's for first-time home buyers is one. There are a lot of good ideas.

I hope we will work on an economic stimulus package that will help move our economy, but at the same time not allow these deficit figures to go through the roof, and not allow Federal taxes per capita to continue to escalate. I think it can be done. Unfortunately, it has not been done in the past.

So, Mr. President, I have several charts I would like to include in the RECORD. I mention that these came from the final monthly Treasury statement for fiscal year 1991. It shows receipts by tax items or income amounts, individual taxes, corporate taxes, social insurance taxes, and so forth. It also shows outlays by department, and the percentage increases for the last 3 years. And also it shows a month-to-month comparison of receipts and outlays, as well as the summary of some of the largest outlay increases.

I mention that just on one page, I found $111 billion in 12 items that have increased just between 1991 and 1990. I will put this in the RECORD so people will have some kind of idea where Federal spending is going, where it is growing, where it is not growing, and what can we do to get a handle on it.

Frankly, Congress does not have a handle on it. I think it is time that we be responsible. I hope that we will become responsible. Unfortunately, by the activities we have seen in the past couple of weeks, this Congress is not becoming more responsible. I think we have a real challenge to turn that around. I hope we will.

I am going to begin making little speeches, maybe, before we vote on appropriations bills. I told my colleagues on the last appropriations bill, the Labor-HHS bill that passed—and everybody seemed to think that was about the gag rule. That was a little controversy on the bill, but nobody paid attention to the fact that that bill spent $21 billion more than the year before. That bill's spending went up by 11 percent over what it was in 1991; 11 percent growth in Labor-HHS—11 percent. That is $21 billion more than what we spent last year, and no one paid any attention to it. Everybody was talking about the gag rule or modifications of the gag rule, and the President's speech.

And then in the bill, not only did they spend $21 billion more, but also they said: We are going to commit next year to $4.5 billion more, by basically gaming the system, to have that money already committed for the next year.

I call that spending out of control. It happens almost every day. I think we have to do something about it. So I am going to start talking about the appropriations bills as they come up, and I am also going to talk about spending programs as the come up.

We pass authorizations in here all the time. We passed one today. Somebody said, "How much did it cost?" Just a couple hundred million. We passed one yesterday on the environment, on improving air quality inside buildings. How much? A couple, $300 million. It was no big deal. Who cares?

Just $200 million or $300 million. This is only $40 million or $50 million a year.

Besides that, it is only an authorization bill. So what is the big deal? Nobody really seems to care. Nobody seems to be adding up all of the pieces. As a matter of fact, we have not added up the pieces. We pass bills on a continual basis, and the net result is the deficit. No one has paid enough attention to the final result, and the net result is that we are spending a whole lot more money than we are taking in.

We are going to have to decide—and everybody would agree that this deficit is too large. We are going to have to decide, are we undertaxed, and do we have to raise taxes? Or are we overspending? I think we are spending too much money. We need to curtail outlays. We need to consider things like a freeze on discretionary spending, which some of us tried to do in the Budget Committee earlier this year. We need to try to have serious, significant entitlement reform, where we would contain the growth of entitlement programs to no more than the inflation rate.

When I mention Medicaid growing at 27 percent, an astronomical increase, and when I look at all of the other entitlements that I have already referred to, I see that we have not done anything to contain the growth of those programs. The Food Stamp Program was up 23 percent. State unemployment benefits went up 46 percent. Many people think that is obviously not enough. We need to increase that even more.

Family support payments to States went up 10 percent. Medicaid went up 27.8 percent. I could go on and on. We are not doing anything to control entitlements. The budget package last year said leave all entitlements off of the table; let's not look at them. That is what is driving up this deficit. We need the courage to control discretionary spending and nondiscretionary spending—some people used to say controllable spending and noncontrollable. Frankly, I think we have to control all Federal spending. But unless and until we do, we are going to have deficits that are going to be out of control.

I do not think that is responsible. We need to make a change.

I yield the floor. I ask unanimous consent to have these reports printed in the RECORD.

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

MONTHLY RECEIPTS, OUTLAYS, AND DEFICITS

[In millions of dollars]

	Receipts	Cumulative	Outlays	Cumulative	Deficit/(surplus)	Cumulative
Fiscal year 1990:						
October	68,420	68,420	94,503	94,503	26,084	26,084
November	71,174	139,594	100,906	195,409	29,732	55,816
December	89,122	228,716	103,893	299,302	14,772	70,588
January	99,524	328,240	91,242	390,544	(8,282)	62,306
February	65,141	393,381	100,348	490,892	35,207	97,513
March	64,805	458,186	118,128	609,020	53,324	150,837
April	139,604	597,790	97,775	706,795	(41,829)	109,008
May	69,186	666,976	111,668	818,463	42,482	151,490
June	110,601	777,577	121,706	940,169	11,105	162,595
July	72,329	849,906	98,253	1,038,422	25,924	188,519
August	78,462	928,368	131,181	1,169,603	52,719	241,238
September	102,939		82,171		(20,768)	
Fiscal year 1990 total		1,031,308		1,251,776		220,469
Fiscal year 1991:						
October	76,986	76,986	108,270	108,270	31,285	31,285
November	70,507	147,493	118,142	226,412	47,635	78,920
December	101,900	249,393	109,212	335,624	7,311	86,231
January	100,713	350,106	99,023	434,647	(1,690)	84,541
February	67,657	417,763	93,834	528,481	26,177	110,718
March	64,805	482,568	105,876	634,357	41,071	151,789
April	140,380	622,948	110,249	744,606	(30,131)	121,658
May	63,560	686,508	116,906	861,512	53,346	175,004
June	103,389	789,897	105,849	967,361	2,460	177,464
July	78,593	868,490	119,384	1,086,745	40,791	218,255
August	76,426	994,916	120,071	1,206,816	43,645	261,900
September	108,917		115,746		6,829	
Fiscal year 1991 total		1,053,832		1,322,561		268,729
Fiscal year 1991 compared to fiscal year 1990 (percent):						
October	12.5	12.5	14.6	14.6	19.9	19.9
November	−.9	5.7	17.1	15.9	60.2	41.4
December	14.3	9.0	5.1	12.1	−50.5	22.2
January	1.2	6.7	8.5	11.3	−79.6	35.7
February	3.9	6.2	−6.5	7.7	−25.6	13.5
March		5.3	−10.4	4.2	−23.0	.6
April	.6	4.2	12.8	5.3	−28.0	11.6
May	−8.1	2.9	4.7	5.3	25.6	15.5
June	−6.5	1.6	−13.0	2.9	−77.8	9.1
July	8.7	2.2	21.5	4.7	57.3	15.8
August	−2.6	1.8	−8.5	3.2	−17.2	8.6
September	5.8		40.9		−132.9	
Fiscal year 1991/1990		2.2		5.7		21.9

MONTHLY TREASURY STATEMENT ANALYSIS

Agency/account	Fiscal year—		Change fiscal year 1990 over fiscal year 1989—		Fiscal year 1991	Change fiscal year 1991 over fiscal year 1990—	
	1989	1990	Dollars	Percent		Dollars	Percent
RECEIPTS							
Individual income taxes	445,690	466,884	21,194	4.8	467,827	943	0.2
Corporate income taxes	103,291	93,507	(9,784)	−9.5	98,086	4,579	4.9
Social insurance taxes	359,416	380,047	20,631	5.7	396,011	15,964	4.2
Excise taxes	34,386	35,345	959	2.8	42,430	7,085	20.0
Estate and gift taxes	8,745	11,500	2,755	31.5	11,138	(362)	−3.1
Customs duties	16,334	16,707	373	2.3	15,921	(786)	−4.7
Miscellaneous receipts	22,839	27,316	4,477	19.6	22,419	(4,897)	−17.9
Total receipts	990,701	1,031,308	40,607	4.1	1,053,832	22,524	2.2
OUTLAYS							
Legislative branch	2,095	2,244	149	7.1	2,295	51	2.3
The judiciary	1,492	1,641	149	10.0	1,989	348	21.2

MONTHLY TREASURY STATEMENT ANALYSIS—Continued

Agency/account	Fiscal year—		Change fiscal year 1990 over fiscal year 1989—		Fiscal year 1991	Change fiscal year 1991 over fiscal year 1990—	
	1989	1990	Dollars	Percent		Dollars	Percent
Executive Office of the President	124	157	33	26.6	193	36	22.9
Funds appropriated to the President	42,57	10,086	5,829	136.9	11,724	1,638	16.2
Department of Agriculture	48,316	46,012	(2,304)	−4.8	54,119	8,107	17.6
Department of Commerce	2,571	3,734	1,163	45.2	2,585	(1,149)	−30.8
Department of Defense—Military	294,881	289,755	(5,126)	−1.7	261,925	(27,830)	−9.6
Department of Defense—Civil	23,450	24,975	1,525	6.5	26,538	1,563	6.3
Department of Education	21,608	23,109	1,501	6.9	25,339	2,230	9.6
Department of Energy	11,387	12,028	641	5.6	12,459	431	3.6
Health and Human Services	172,301	193,679	17,525	12.4	217,541	23,862	12.3
Social Security	227,473	244,998	487	7.7	266,395	21,397	8.7
Housing and Urban Development	19,680	20,167	487	2.5	22,751	2,584	12.8
Department of the Interior	5,308	5,795	275	9.2	6,094	299	5.2
Department of Justice	6,232	6,507	275	4.4	8,244	1,737	26.7
Department of Labor	22,657	25,316	2,659	11.7	34,049	8,733	34.5
Department of State	3,722	3,979	257	6.9	4,252	273	6.9
Department of Transportation	26,607	28,637	2,030	7.6	30,503	1,866	6.5
Department of the Treasury	230,566	255,268	24,702	10.7	276,894	21,626	8.5
Department of Veterans Affairs	30,041	28,998	(1,043)	−3.5	31,214	2,216	7.6
Environmental Protection Agency	4,906	5,108	202	4.12	5,770	662	13.0
General Services Administration	(462)	(123)	339	−73.4	487	610	−495.9
National Aeronautics and Space Administration	11,036	12,429	1,393	12.6	13,878	1,449	11.7
Office of Personnel Management	29,073	31,949	2,876	9.9	34,808	2,859	8.9
Small Business Administration	85	692	607	714.1	613	(79)	−11.4
Federal Deposit Insurance Corporation	12,913	11,729	(1,184)	−9.2	15,883	4,154	35.4
Federal Emergency Management Agency	532	2,040	1,508	283.5	870	(1,170)	−57.4
Resolution Trust Corporation	9,172	46,547	37,375	407.5	50,751	4,204	9.0
Other independent agencies	11,153	13,350	2,197	19.7	12,952	(398)	−3.0
Undistributed offsetting receipts	(89,155)	(99,025)	(9,870)	11.1	(110,554)	(11,529)	11.6
Total outlays	1,144,020	1,251,776	107,756	9.4	1,322,561	70,785	5.7
Total outlays minus defense and RTC	839,967	915,474	75,507	9.0	1,009,885	94,411	10.3

SUMMARY OF LARGEST OUTLAY INCREASES

Agency/account	Fiscal year—		Change fiscal year 1991 over fiscal year 1990	
	1990	1991	Dollars	Percent
Department of Agriculture:				
Price support programs	6,276	9,898	3,622	57.7
Food Stamp Program	15,923	19,649	3,726	23.4
Department of Defense—Military:				
Military personnel	75,622	83,439	7,817	10.3
Operations and maintenance	88,340	101,769	13,429	15.2
Defense cooperation account	0	(43,618)	.....	.....
Department of Education:				
Education for the disadvantaged	4,482	5,219	737	16.4
Special education	1,617	2,174	557	34.4
Health and Human Services:				
Medicaid	41,103	52,533	11,430	27.8
Medicare	107,410	114,219	6,809	6.3
Family support payments to States	12,246	13,520	1,274	10.4
Social Security: Insurance and disability payments	243,300	263,025	19,725	8.1
Department of Labor: State unemployment benefits	17,210	25,149	7,939	46.1
Department of Transportation: Airpost and Airway Trust Fund	3,498	5,236	1,738	49.7
Department of the Treasury:				
Internal Revenue Service	12,053	13,689	1,636	13.6
Interest on the public debt	264,853	286,022	21,169	8.0
Department of Veterans Affairs: Compensation and pensions	14,453	16,168	1,715	11.9
Independent Agencies:				
Bank insurance fund	6,429	7,363	934	14.5
FSLIC resolution fund	5,213	8,556	3,343	64.1
Resolution Trust Corporation	46,547	50,751	4,204	9.0
Sum of increases	.....	.....	111,804	.....

Mr. EXON. Mr. President, to conserve time, will the Chair advise the Senator from Nebraska when 5 minutes is up? I want to give other people a chance to speak.

I just want to speak briefly about the remarks made by my colleague from Oklahoma. Indeed, we serve together on the Budget Committee and, indeed, the Senator from Nebraska being on a different side of the political aisle than the Senator from Oklahoma, we have seen eye to eye more times than not. I appreciate very much the presentation he made. He makes some very good points.

There is only one part on which I disagree with my friend from Oklahoma. I am not accusing him of being dishonest. I just wish he would shape up his facts just a little bit. He tends, as so many people do today, to blame everything on the Congress. And the Congress is certainly entitled to more than its share of responsibility.

But the President of the United States, under our system, proposes a budget. Not once during the term of Ronald Reagan, or, yet, of George Bush—and I will not hold my breath until it starts happening—have those Presidents proposed a budget that was balanced; not once in all of those years did those Presidents who, seemingly, because they happen to be Republicans, who by their very nature are conservative and want to balance the budget. Could it not be that the President of the United States, because he is a Republican, ducks issues?

How many times have Republican Presidents——

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. EXON. I will yield when I finish and give my friend from Oklahoma the same consideration and courtesy that he gave me.

How many times in the last several years have we seen the veto pen used for anything other than less significant items? I know it is difficult because the President of the United States does not have line-item veto authority. This Senator has been trying to get that for a long time because I used it effectively and fairly when I was Governor of the State of Nebraska to bring spending into line. But the facts of the matter are President Reagan, who promised to balance the budget after 4 years, and even President Bush, who has made some statements that he would like to balance the budget, on no occasion whatsoever have any of those Presidents had the courage to practice what they preach, and that is to veto.

We as Members of the Congress, both Democrats and Republicans, I emphasize, have a share, a major share of that fault for whatever it is. But to try to say it is all the fault of the Congress, and the individual down there at 1600 Pennsylvania Avenue has nothing to say about it, indicates to this Senator a basic lack of understanding of how our Government is set up and how it works.

I would just like to comment briefly on what we have been talking about with regard to the $1 billion earmark. I would simply say once again that I am not crazy about this proposal. If this proposal is eliminated from the conference report before it reaches the Senate and the House. It will be fine with this Senator. It might stop some of the debate that is going on.

I simply want to say once again, Mr. President, and emphasize that, while not being an author of that particular $1 billion earmark, I say once again and very clearly that not one penny of that money could be spent for any purpose without the President of the United States and the Secretary of Defense agreeing.

It might be well and good for people to stand up and say, "But I do not want that." They do not trust the President of the United States and the Secretary of Defense to use some funds as they see fit if they thought those fund would be in the national security interest of the United States.

You know, I trust the President of the United States and the Secretary of Defense that much. I suspect that if this bill is passed, over filibusters, furor, rhetoric, and pounding the desk,

the President of the United States and the Secretary of Defense will not spend the money anyway.

Therefore, I think and hope that the U.S. Senate and the House of Representatives will not be bogged down for days and days and days, and maybe weeks, on a piece of legislation that simply says, "Mr. President, we authorize you to use some of this money if in your viewpoint it would be in the national security interests of the United States." That is all it does. But if we want to drop it, it is perfectly all right with this Senator.

Mr. President, I yield the floor.

Mr. DODD. Mr. President, will the Senator from Oklahoma yield?

Mr. NICKLES. I would just like 2 minutes. I was seeking recognition for 2 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes.

Mr. NICKLES. Mr. President, I appreciate the comment from my friend and colleague from Nebraska, but I just have two points, one on the deficit and one on the $1 billion for the Soviet aid.

I think again that the $1 billion is ridiculous, and to say we are just going to give the President discretion is also. We did not give the President discretion on the defense bill for SDI. We are micromanaging that program. We should not, but we do. We did not give the President discretion on the B–2. Basically we said, "Here is the money, but you cannot build any more B–2's with it, which I happen to think is ridiculous. I think we need the Stealth bomber just like we need the stealth fighter.

No, Congress is not giving that discretion. The only way it will give discretion is for the President to offer economic aid to the Soviet Union to help them reestablish their military, relocate, and job training. I think that is ludicrous, and we should not do it. The President did not ask for it. I am kind of amazed. And now some of my colleagues pick on the Democratic side, or in the House of Representatives they let us give this kind of discretion to the President. He did not want it, did not ask for it. Let's not give it to him.

Let's have DOD dollars to be used for American defense purposes. If we do not need to spend it for defense, let's use it to reduce the deficit or use it to stimulate the economy in the United States. But let's not waste it over in the Soviet Union when they are still building missiles aimed at the United States. Let's not waste it when they are still sending money to Cuba. Let's not waste it when their economy is still based on the idea of government control of communism and socialism. That, frankly, has not worked and it does not reform. They do not have convertibility of the ruble. They do not have private ownership of property. They do not have private ownership of corporations. They are talking about it, but have not done it. Their economy is a basket case. Our giving them $1 billion will not help them one iota.

To respond to my friend and colleague from Nebraska, he said, well, the administration is just as much at fault as Congress. I would say they are partially at fault, but I will say likewise the administration sends up budgets and requests spending cuts—they do not get them—in the budget package.

In the big battles we had in the early eighties, we got tax cuts, but we did not get the spending cuts, the proposed significant spending reductions. We have not done that. Congress has refused to do it. We have not shown the guts, willingness, or courage to limit the growth in outlays. We either have to shut down, freeze it, curb it, or curtail it, slow the upward curve down. We cannot allow outlays to continue to grow twice as much as receipts and revenues. If we do that, we will continue to have escalating deficits, and that is not acceptable.

I yield the floor.

The PRESIDING OFFICER. I recognize the Senator from Connecticut.

Mr. DODD. Mr. President, I thank the Chair.

Let me just briefly comment, if I may, on this proposal that is included, at least in the draft, as I understand it, at this point of the defense authorization bill. It is title XII, and it is entitled "Reduction of Soviet Military Threat, Part A, Emergency Assistance to the Soviet People." Then it goes on here for some pages, as I understand it. Procedurally, having talked with a number of people, the conference report has yet to be filed.

So, as I understand it, the conference is still an open conference, and I would like to think that possibly some of this discussion here today might serve as at least some indication to the conferees, both the House and the Senate, of some of the feelings about this particular proposal.

So I hope that before we decide exactly how we are going to deal with the conference report when it comes over, there is a possibility still, since the conference is still an open conference, the report has not been filed—I understand it has not been filed because there are some other matters raised, or some objections to be raised in the House of Representatives over this specific package or this specific proposal.

But I would like to suggest, Mr. President, that certainly one could make the strong case that there is going to be a need for some sort of assistance, I suppose, for the Soviet Union, given the fact that they are in fact a basket case, as the Senator from Oklahoma has indicated, economically. Some sort of financial help for the food or medical assistance this winter may be necessary. But I would like to strongly recommend that if that is the case, I think the President ought to come to the Congress and ask for that. It seems to me that is the appropriate way to proceed here.

Second, I have serious questions about whether or not, even if you wanted to do this, that it ought to properly be included under a Defense authorization bill. This is entitled "Assistance to the Soviet People." I would raise at least the proposal that, if this is to be done, it probably ought to come out of the Foreign Relations Committee or the Foreign Affairs Committee of the House since we are talking about basically an economic aid package here. So the proper vehicle for this, if it is to be done, should properly come through that particular committee rather than through the Armed Services Committee.

Third, there are some serious questions, I suggest here, regarding the Budget Act that was just passed or the budget proposal last year. There are requirements there that, if reductions are to occur in these areas, they not necessarily automatically go to other accounts. It seems to me here that this proposal, as it is coming out of defense budgets going into what might be categorized as a foreign assistance budget, or at least under those proposals, you might need super majorities to deal with this.

So it seems to me there are a number of significant issues that are being raised by this proposal aside from the question of whether or not this is the right thing for us to be doing at this particular time given the economic difficulties we face here at home.

Rather than suggest today that I would use any and all procedures and vehicles available to each and every one of us as Members of this body to recommit the authorization conference report or to strike those provisions, I wish the conferees who are dealing with this matter would listen to this debate or listen to these comments that are being made and maybe go back to the table and reconsider this, and that, in fact, if the administration, as I am told is the case, is very supportive of this, in fact likes what is being concluded in the proposal because it does give discretion and it does allow the administration to move forward, I think the proper way to proceed is for the President to go before the Congress or to submit to the Congress a proposal that will include that kind of assistance, and then we will debate whether or not that is what we want to do.

My colleagues here on the floor can correct me if I am wrong, but I do not recall this being included in the debate here on the floor of the Senate when we were considering the Defense authorization bill, nor do I recall that the matter was raised in the House of Rep-

resentatives, in the other body, during their consideration of the Defense authorization bill—now I am not absolutely sure that I am correct in that, but I believe I am—which could indicate that this matter came up sort of as a matter never raised in either Chamber and as a result it is something that the conferees themselves brought forward, which I am sure will raise certain concerns in both bodies.

So, Mr. President, I urge the conferees to listen hard to their colleagues in both the House and the Senate before bringing forward this conference report. There are many significant and worthwhile proposals included in that Defense authorization bill. It was debated at length here on the floor of the Senate. There are matters in there that I think are of tremendous importance to the country and we should not be delayed in bringing out that conference report.

But I would suggest that the inclusion of title 12 in that conference report is going to have the effect of turning this particular bill into a significant battle on the floor of the U.S. Senate, and I would suggest probably the same is true in the House of Representatives.

It is rather difficult for many of us to go back and suggest to our constituencies, when we are being told that there is an inadequate amount of funds for the extension of unemployment benefits or that we do not have the funds to deal with low-income energy assistance—and I could go on, and I presume each of my colleagues might raise various other matters that are of concern with them where the argument has been raised—we cannot quite afford to do it.

I do not have the numbers available to me at this very moment but I would suggest that there are thousands of people in my State alone, literally thousands of people in the last 2 years who have been laid off within the defense industry. That does not include State employees or employees of businesses that have nothing to do with the defense industry who have also lost their jobs. But just for the sake of discussion here this afternoon, there are a significant number of people who have lost their jobs in my State who worked at Pratt & Whitney, Sikorsky, Hamilton Standard, Norden, and Electric Boat Division of General Dynamics and dozens upon dozens of subcontractors that are suppliers to those major contractors who have lost their jobs.

In many ways, Mr. President, these are the veterans of the cold war. These are the veterans of the cold war. And it is regrettable that they have lost their jobs. It is a tragedy to see it happen.

It is going to be extremely difficult, to put it mildly, to go back and I presume at some point I would be confronted with someone standing up and saying, "Senator would you mind explaining to me section 1212 of this bill which is entitled "Authority for Programs to Promote Soviet and Eastern European Defense Conversion and Demilitarization?"

Some 15 years ago our former colleague, who is now deceased, Stewart McKinney of Connecticut, and I introduced conversion legislation to assist communities and defense contractors in converting from defense products to nondefense items. That legislation never got very far. Ideas have been raised over the years in a number of different ways that might assist in the conversion effort. There is a lot of talk today about how we might assist defense workers who have lost their jobs because we have reduced the budget significantly, and increased technology does not demand as labor-intensive an industry as defense contract work has been in the past.

But I presume all of us are going to be asked in our respective jurisdictions and States; how is it that we can manage to come up with a defense conversion bill and assistance for Soviet defense workers when we refuse to even consider legislation that would provide for conversion for our own defense industries and assistance to those workers who have lost their jobs?

I would suggest that is going to be a very difficult argument for people to face when they see a proposal in front of them that would provide at least an authorization of a billion dollars to assist the Soviet Union in that regard.

So, Mr. President, again I commend at least the thoughts and the desires and the intentions, well founded as they are, behind this proposal, in that they would like to help people who are hurting, and I think all of us can relate to that. We have certainly been a generous people throughout our history, a generous people; and particularly in the post-World War II period we have been extremely generous. And I take pride in standing in this Chamber admitting to that.

But it seems also just as true, Mr. President, that at times when your own country is feeling the worst economic times in decades, in decades, where 1 out of every 10 Americans is now on food stamps, 23 million people on food stamps in this country, 30 to 40 million without health insurance at all of any kind, it is going to be an extremely difficult proposal to suggest to the American people at this particular moment that we have the resources available to us to such an extent that we can provide a billion dollars to the Soviet Union and its people, who legitimately are suffering, at a time when our own people are feeling the incredible pressures of unemployment and increased prices in education and health care and housing, and the long list.

So, Mr. President, I hope, with all due respect to our colleagues who have proposed this, that they go back to the drawing board and have a look again before bringing this before this Chamber or the other body for consideration. This is not the time. There are other ways of doing this. I think it is incumbent upon those who are interested in this proposal. The best way for them to proceed is for the Commander in Chief, the President of the United States, if he feels this is necessary, to submit legislation to this body and to the other, laying out a program that would provide that assistance and then to thoroughly debate that proposal here on the floor of the U.S. Senate and in the House of Representatives, and then give our approval or disapproval to that suggestion as a freestanding proposal rather than something that is included in a defense authorization bill that has never been considered in this Chamber and, to the best of my knowledge, not considered in the other body as well.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. D'AMATO. Mr. President, let me make two facts known to the Chamber. No. 1 is that this letter was signed as a "Dear Colleague" letter by Senator NUNN, the chairman of the Armed Services Committee on November 4. And I have been informed, fact No. 2, that the conference report has already been signed.

So I would suggest that there is a greater urgency to see to it that it is dealt with. Because, certainly, I find it hard to believe that the conferees would take on this kind of a responsibility, assume this, just put it in the report and report it out here and we are going to have to take it as fait accompli or reject the report. And they understand that is very seldom done.

Certainly we were not consulted, as the Senator from Connecticut has suggested. This matter was never brought to the floor. And when we talk about needs, the needs of American working people in our defense industry have been forgotten.

Do you want to do something in that bill? Then talk about the unemployed defense workers, retraining them; talk about the thousands and thousands who are going to be laid off as a result of the fact of the cutbacks.

Incredible. We pay the price for freedom and yet we give a peace dividend to the Soviet Army. If we are going to talk about a peace dividend, we better give it to the people here and the troops who are going to be furloughed here.

With some specificity it talks about dealing with the problems of those military people who are laid off, who are separated involuntarily in the Soviet Union. Well, there are tens and tens and tens of thousands of young American men and women who are going to be and are being involuntarily

separated as we speak. What about them?

What an incredible piece of legislation to be considering. I will tell you what makes it somewhat ironic. While we are desperately trying to find a way to pay for and pass an unemployment benefits bill for Americans who are suffering because they are out of work, the leadership of the Senate and the House are literally arguing over, forgive me, forgive me, mere millions of dollars that separate them from coming to an agreement for an unemployment package.

I have to tell my colleagues, I do not know whether we really recognize what is happening in the real world. If we have $1 billion to spare, Mr. President, we can spare it for the needs of the unemployed, the needs to find funds to support better schools, more competitive schools, the needs that we have for research and development and for industries here, the needs we have to retrain and employ Americans who need work. It strikes me this is Ivan in Wonderland logic. What kind of logic are we using?

Then yesterday I had my friends come to the floor and say, oh, what a message the elections sent. What a message? I think my friends over here—some can take delight that their fellow won or lost; and others, oh, we will just pile on, but it is business as usual.

Come in out of the rain, fellows; wake up; understand what is happening. Because this proposal smacks of "business as usual." They really do not understand what the American people are saying. They are not saying continue to move on as in Alice in Wonderland.

Now, as I have said, I think we have found a new logic, Ivan in Wonderland.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, there will be no further rollcall votes today.

I have been discussing with the distinguished Republican leader and other interested Senators the schedule for the Senate in the next few days. We have been discussing a number of measures that we hope to take up beginning early next week, including the Older Americans Act, the banking legislation, and the unemployment insurance extension legislation.

We are going to continue those meetings in the very near future, and it is my hope that we will be able to make an announcement, indeed to get some agreements regarding the precise times and order of handling such matters, before this day is out.

So the Senate will remain in session. There will be further announcements in that regard, we hope, in the near future. But for now, we will not be able to proceed to and complete action on the legislation today. So there will be no further rollcall votes today.

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

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

FIX THE HEALTH CARE SYSTEM

Mr. RIEGLE. Mr. President, I want to draw attention to a story today on the front page of the Wall Street Journal. It is a story in the left-hand column that says, "Pennsylvania Election Sends National's Leaders An Ominous Message."

The subheadline says, "Fix the Economy, Voters Say; Other Gripes: High Taxes, Inadequate Health Care."

Then the third subheadline here is, "Wake-up Call for Republicans."

I want to just read the first couple of paragraphs here.

It says:

> The voters had a message for President Bush, and it come in a shout, not a whisper: Ignore us at your peril.
>
> The surprising victory of Democrat Harris Wofford in the Pennsylvania Senate race over Dick Thornburgh, a former governor and member of the Reagan and Bush cabinets, sent Mr. Bush an unmistakable signal: He'd better produce a health-care plan and do whatever it takes, including cutting taxes for the middle class, to get the economy out of the doldrums.

I will not read the rest of the article, but I certainly agree with that description in these headlines and first two paragraphs of this Wall Street Journal story of today. I think clearly the message from the Pennsylvania Senate race was that the economy is in trouble, people want action taken to fix it. They want to see extended unemployment compensation benefits. They want to see a comprehensive national health insurance program. They want to see an economic recovery program that can bring our jobs back. They want to see the country not go into a fast-track trade agreement with Mexico where what we are doing is providing jobs to Mexico but taking jobs out of the United States at the same time. Those issues came through loud and clear.

I think today we saw a reaction to that right here on the Senate floor when a number of our colleagues on the other side of the aisle came forward, finally, and in a welcome way, from this Senator's point of view, to begin to address the issue of the national health care problem. While I was not on the floor at the time, I have obtained a copy of the news release put out by our colleague, Senator CHAFEE, from Rhode Island, in which he summarizes some ideas, an approach to the health care issue that he and others on that side of the aisle have decided to put forward.

I want to say I welcome that initiative. I think it is important that both parties be engaged on this issue. I serve as chairman of the Subcommittee on Health for Families and the Uninsured in the Finance Committee, and Senator CHAFEE is the ranking minority member. So I very much look forward to working with him on the issue of health care to develop a comprehensive plan for this country.

In analyzing, in the time that I have had, the proposal—the general outline of the proposal—that he had described today, I have to say that there are two parts of it that I think are missing that have to be added to it. And I would like to, in the course of the days ahead, attempt to work constructively to see if we can move in the direction of a broader approach to this problem.

First of all, we need a plan, a national health insurance plan that will end up providing health insurance coverage to everyone in the country. In the plan that the Democrats have developed that I am a cosponsor of, along with Senators MITCHELL, ROCKEFELLER, and KENNEDY, we phase in coverage starting with children under the age of 19, and expectant mothers, and then we phase in coverage for all people in the country.

The proposal put forward by Senator CHAFEE today does not envision covering all people in the country under a health insurance system. So I think that is one area that I would hope they would take another look at and decide they could move with us in that area, and find a way to do that.

Also, with respect to fundamental cost reform of the health care system, the problem is that we are spending a virtual fortune on health care in this country. The amount of money, about 12 percent of our GNP, going to health care is well beyond that of any other modern nation. We need some effective cost control because what is happening is that for those people out across the country, particularly those in the middle class, who have health insurance coverage today, it is so expensive and the rates are going up and the copayments are going up, the deductibles are increasing, that most people who have health insurance are finding they cannot afford to maintain it. And so the problem is one of ever-rising costs of health insurance. Those costs have to be contained, and you need a tough set of cost control mechanisms to do that.

In the Democratic bill that we have developed, we have laid out a series of cost containment proposals. We propose establishing a Federal Expenditure Board which would operate like the Federal Reserve Board operates where we would establish national spending goals for all of the health care services in the United States. And for the first time we would ask the providers, the doctors and the hospitals, and the purchasers of health care, businesses, individuals, and insurance intermediaries, to sit down around a table and to develop a comprehensive set of cost controls, including national payment rates.

We also think that billions and billions of dollars can be saved by making the system more efficient through the reduction of administrative costs and by establishing a uniform billing procedure.

We also think that a lot of unnecessary care could be eliminated by a better job of evaluating the effectiveness of certain medical procedures and the cost of performing those procedures. We believe that there are great savings to be had in that area as well.

The proposal today by the Republicans does not address those issues, in my view, and I would encourage them to take a look at that and see if that is an area where they could join us in moving in the area of a comprehensive cost reform aspect of a national health insurance program.

Those two parts, universal coverage so that every person in America is seen and is acknowledged as being worthy of health insurance, and, on the other hand, a tough set of cost controls that can hold these cost increases down so that people who have insurance are not bankrupted by the rising costs of health insurance, these two things have to be dealt with in tandem.

I will say for the plan that Senator CHAFEE advanced, at least from the general outline I have seen today, it has a very strong program in the area of medical malpractice reform. I think that is a very constructive addition to the debate. I commend him for the work that has been done in that area. I myself feel that this is an area where we need to move farther.

So, I would hope that the folks on the other side of the aisle, having now engaged in this issue—even if it is the result of a little anxiety over the Pennsylvania election results—would take a closer look at the issues of access and cost controls I think the introduction of their plan is a constructive development and I am pleased to see some action now starting to occur on the other side of the aisle.

I want to say for my part that I am prepared to work within our subcommittee, with Senator CHAFEE, to develop a comprehensive proposal, with tough cost controls and universal access to health insurance for all the people of this country. If we start down that track toward those goals, I think we can accomplish something.

Now, as to the timetable, I think the commitment that we have to make to the American people and to each other is that we will enact a comprehensive national health insurance program before the 1992 Presidential election; that we will enact it before that election—not some time in the distant future, in 1993, or 1994. And we need the President to get involved in this issue. The Reagan-Bush administration was in power for 8 years. They made no national health insurance proposal. That administration has continued on now. It is the Bush-Quayle administration that has been in power for 3 more years. So now for a total of 11 years they have been studying this problem, and they have not developed any concrete proposal to put forward a comprehensive national health insurance plan. We need that plan developed now and enacted this coming year, in 1992, before the Presidential election. Not after, but before.

So I am prepared to set our subcommittee at work, and we will take whatever time it takes to work these proposals out. There is going to have to be some cutting and fitting to find a consensus where we can meet these two goals of a fundamental cost reform package and universal access to health insurance that covers all the people of this country.

The time to do it is now. I call on the President to address this issue. There is a lot of time and effort that is going into foreign policy and the problems in other countries. All of the other leading industrial countries have national health insurance programs. The only country that is left that does not have one is the United States, and we need one and we need it now. So I invite the President to join us in this effort. We need his help. We need his engagement. We need his commitment to developing that kind of a program. We are going to move ahead and we are going to use every tool that we have to work with to get that kind of a program enacted within the coming year.

I thank the Chair and yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIXON] is recognized.

THE NATIONAL DEFENSE AUTHORIZATION BILL FOR FISCAL YEARS 1992 AND 1993

Mr. DIXON. Mr. President, I am generally satisfied with the national defense authorization bill for fiscal years 1992 and 1993. This bill is the result of the tireless efforts put forth by the Members and the staffs of both the House and the Senate, and it is a good Defense bill in my view. It reduces our forces in an intelligent manner and does not create a hollow force as we have done in previous military drawdowns.

Nevertheless, I am very concerned with the language in the bill which permits the President, if he so wishes, to provide the Soviet Union with $1 billion in aid. If we can find an extra $1 billion in this Defense budget, why are we not using it to directly benefit our own people in our own country?

Let me make it clear that, as an American, I welcome the end of the cold war. I wholeheartedly support the blossoming of democracy in a country which suffered under totalitarianism for so long.

But even so, Mr. President, I cannot understand how anyone can justify giving this kind of assistance to any foreign country when the United States is faced with a serious recession as well as the highest debt in our history.

Americans are losing their jobs. Unemployment compensation is running out. More people than ever before are being forced to rely on food stamps. It is outrageous to me that we are making foreign aid a priority over domestic aid.

Mr. President, I have spoken about the erosion of the American industrial base on many occasions. Part of this $1 billion aid package is to bolster the Soviet Union's industrial base.

But, Mr. President, what about the U.S. industrial base?

How can we help the Russians and continue to ignore our own citizens?

Mr. President, I am a strong proponent of charity, but I feel charity should start at home. If the Department of Defense has an extra $1 billion, then those dollars should be used for our own citizens first. I recognize that Soviet citizens and industry need some help, but so do United States citizens and their industrial apparatus. I know I am not alone in the belief that this portion of the bill is wrong.

I do not think the bill should be voted down simply because of this proposed aid to the Soviet Union. Since the bill only allows and does not require the President to give this $1 billion in aid to the Soviet Union, I strongly recommend that the President be encouraged by us in Congress not to provide this aid package to the Soviet Union.

I thank the Chair.

I note the lack of a quorum and suggest that to the Chair.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

PRAYER IN SCHOOL

Mr. NICKLES. Mr. President, yesterday was kind of an unusual day. I had the opportunity to sit in on the Supreme Court hearing of Weisman v. Lee, which is a case dealing with prayer in school. Actually, it was not prayer in school, but it was the question of prayer at a commencement exercise. This commencement exercise was not for a high school graduation but for a middle school, where a prayer was read and evidently it offended someone, and so they filed suit to stop such activity.

I was interested in the case because I had a hard time believing that in the United States someone would complain because somebody happened to pray at a commencement exercise and felt that this was in violation of the first amendment, or in violation of the so-called doctrine of separation of church and state.

Mr. President, let me make a couple of comments. One, the separation of church and state argument, which I have heard, and it is repeated around this body and around this country as if it is doctrine and in the Constitution, is wrong. There is nothing in the Constitution that says we are going to have or should have separation of church and state.

As a matter of fact, that is totally opposite of what our forefathers believed. If you happen to read the Constitution or the Declaration of Independence, the word "separation" of church and state is not to be found. And if you read the Declaration of Independence, it is quite obvious that we had forefathers who were very committed individuals, who were committed to God, who were believers. I was kind of troubled by the fact that this case would go all the way to the Supreme Court.

I would also tell you, Mr. President, I was troubled by some of the questions and the tone of the argument and even the presentation of the case. To put the day in perspective, I might just read for the RECORD the invocation that was stated by a rabbi in Providence, RI.

This prayer is one of the prayers at issue in the case. They were so offensive that somebody said they were unconstitutional. In the invocation, I quote:

> God of the free, hope of the brave: For the legacy of America, where diversity is celebrated and the rights of minorities are protected, we thank you. May these young men and women grow up to enrich it.
>
> For the liberty of America, we thank you. May these new graduates grow up to guard it.
>
> For the political process of America in which all citizens may participate, for its court system, where all can seek justice, we thank you.
>
> May those we honor this morning always turn to it in trust.
>
> For the destiny of America, we thank you. May the graduates of Nathan Bishop Middle School so live that they might help to share it.
>
> May our aspirations for our country and for these young people, who are our hope of the future, be richly fulfilled. Amen.

This prayer, Mr. President, if I am correct, mentions the word "God" once. It is a prayer. It thanks God for our liberties and for our freedoms, for our judicial system, for our political system, and mentions the word "God" and praise to God one time.

As a result of this prayer, people were so incensed that they would go all the way to the Supreme Court and say: This is a violation of my liberty? I find that hard to believe.

I compliment Rabbi Gutterman for his prayer. I think it was well stated. But I am trying to rationalize how people could be opposed to that. Because if they are opposed to that, evidently they are opposed to what is in the Senate Chamber and probably should be filing suit. In the Senate, we have right over this door, "In God we Trust."

The same God, I guess, that we trust in and he was praying to they found quite offensive. I do not know if people find that offensive. We have "In God we Trust" on our coins. Is that so offensive? Is that unconstitutional?

If this prayer is unconstitutional, then it is unconstitutional to say the Pledge of Allegiance, as we say, "One nation under God." How in the world can we be going so far? Somebody says we are trying to protect the separation of church and state. Oh, it is in the first amendment of the U.S. Constitution. It is not. Somebody said it is in violation of the establishment clause of the first amendment to the Constitution. It is not.

When I listened to the debate in the Court, I will tell you, Mr. President, I was bothered by what is happening. Let me read the first amendment to the Constitution. It says:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof;

I will go on. It says:

> or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

So our Government, in the first amendment to the Constitution, says we do not want Congress to pass any law providing for the establishment of religion, nor did they want to prohibit the free exercise thereof.

With the Supreme Court in this case—unfortunately, I think they have done in previous cases—they say you cannot have prayer in the school or you cannot have prayer in the commencement exercise. They are prohibiting the free exercise of religion. They are violating the first amendment to the Constitution as it is written, not as the establishment clause has been expanded through past Court decisions.

So I really hope the Supreme Court, when they look at this issue, will look at the first amendment and not just previous Court cases, such as Lemon versus Kurtzman. The product of the Lemon case is the Lemon Test which our Courts use to determine separation of church and state. The Lemon Test has gone far beyond what our forefathers envisioned.

Our forefathers wanted, they insisted, they demanded, they mutually pledged their lives, their fortunes, and their sacred honor to give us a system of government that would preserve and protect our freedom, including our religious freedom. This was in the first amendment. They wanted no restrictions on the free exercise of religion. They said Congress shall pass no laws.

I might refer my friend to article I of the Constitution. It says.

> All legislative Powers herein granted shall be vested in a Congress of the United States.

All legislative powers shall be vested in Congress. And then the first amendment says Congress shall make no laws. In other words, any laws that are going to be made are going to be made by Congress, and it says Congress shall make no laws respecting an establishment of religion, no laws prohibiting the free exercise thereof.

They did not want Congress doing anything that would infringe on anybody's right to exercise their religion. They were fleeing England. They had a Church of England. They did not want a Church of the United States. They wanted to have freedom of worship without any possibility of government prohibiting that activity whatsoever.

Our forefathers would be shocked that the Supreme Court would be hearing a case because somebody named Rabbi Gutterman would read a prayer that mentions the word "God." They would be shocked that somebody would be saying that is unconstitutional.

It's almost beyond comprehension that, from our forefather' vantage point, the first amendment could be distorted as it has been. The first amendment was written beautifully; it was written well. It really does not need to be amended. It just needs to be interpreted as written, not as misinterpreted by previous Court cases in the past.

I might mention, too, Mr. President—and thinking of this day, so this is kind of an interesting day for at least this Senator, a little piece of history, a case where I hope the Supreme Court will review some of the previous decisions dealing with prayer in school and allow freedom of religion. I am not trying to, nor do I have a desire to have any religion endorsed, mandated or coerced on any individual, but I do want individuals to have the right to have freedom of religion.

If we should go so far as the petitioners in this case, who are wanting to make sure that no one would invoke God's name in a school or in a public facility or in a graduation ceremony, or maybe an athletic event, or maybe

in the halls of Congress or before the Supreme Court, if we want to go as far as they would go, then evidently we should never say the Pledge of Allegiance. We should never sing "God Bless America." We should never sing the song "America, God shed his grace on thee."

I can think of so many of our rich cultural historical songs and prayers and these people are going to say you cannot say them. In other words, does it mean our schools have to be so secular they almost have to be agnostic? They have to be an athiestic to comply with this doctrine of "we do not want" to have establishment of religion? No. That is not what our forefathers' meant, and I do not think it is right for this Court or previous Courts to misinterpret the first amendment, which was written quite well.

Mr. President, to put this day in perspective, it started out with the Supreme Court case Lee versus Weisman dealing with prayer in school.

Then toward the end of the day I found out that the National Endowment for the Arts has decided again to fund a couple of artists who have as their primary interest, I guess, or one of their primary interests to advocate, utilize as part of their performance, homoerotic art. We are funding that.

I am trying to reconcile these two things. The National Endowment for the Arts, which we write checks for, is funding performers who openly advocate gay and lesbian lifestyles and who in their performances do things that are very, some people would say, sacrilegious.

One of the performers has indicated, according to press reports—I am talking about the Washington Times and the Washington Post—that she sees Jesus between her mother's hips. I find that quite sacrilegious. I do not want to subsidize that. I do not think the taxpayers in Oklahoma want to subsidize that. She can perform that way on her own private time, using her own money, that is her desire. If anybody wants to pay to see that, that is their business.

But as a taxpayer, and maybe as a person who has some responsibility over taxpayers' funds, I find it very offensive to think that we as taxpayers would be subsidizing homoerotic art. But we have done it. We have done it time and time again. And, unfortunately, the NEA last night decided to do it again. They made two more grants, one to Holly Hughes, and one also to Ken Miller. They have given them grants in the past. They have given them grants time and time again even though they continue to advocate this type of alternative lifestyles.

I might mention the NEA a year ago decided that they would not give them a grant, and these performers and a couple of others sued the NEA. I would compliment NEA for refusing to make that award in the past, but what did they do? NEA since then has given them additional awards.

Last night they announced two more, giving those performers another $8,000. This was a grant; it was not for the performance.

Here again, it is kind of hard to handle, at least for this Senator, to think that in the morning, here we have people arguing in the Supreme Court that if a rabbi mentions the word "God" once in a prayer, he is violating somebody's constitutional rights. And then in the afternoon, to have the National Endowment for the Arts send out taxpayers' money to subsidize homoerotic art—here is a picture in the Washington Post of Holly Hughes, and she has on a T-shirt that says: Fight for homoerotic art. It goes into several things she and Mr. Miller and others have done.

How in the world can we have distorted the Constitution to the extent that some people say that it is against the Constitution for people to use the word "God" in a public institution like a school, but yet, at the same time, the chairman of the National Endowment for the Arts, Mr. Frohnmayer, thinks this is the right way to spend our money, and he knew these two grants were going to be quite controversial. But he thinks that is the right thing to do, because we do not want to infringe on anyone's right in the way that they express themselves or because of their lifestyle.

I am offended by that. I am offended by the fact that the NEA knew that these grants were in the mill, but they waited to make the grant until after Congress passed the Interior appropriation bill. That was not a coincidence that these were announced yesterday. They waited until after the Interior bill, which funds the National Endowment for the Arts. They waited until after, because they knew it was controversial, and maybe it would make a difference on their funding request. But they went ahead and funded them anyway.

I have been very supportive, I think, probably as much as anybody in this body, of most of this administration's appointments and nominees. I cannot really remember opposing one. I may have, but I cannot remember one. I sent a letter to the President yesterday suggesting that he replace Mr. Frohnmayer. I do not do that lightly. I cannot remember doing it. I may have done it in my 11 years in the Senate, but I cannot remember doing it.

I am offended by his administration of NEA. I am offended by his basically telling Congress: we do not care what you pass, I am going to fund whoever I want, no matter how offensive their art is, no matter how obscene it is, as if the NEA money is his money. It is not his money. It is taxpayers' money. Taxpayers are offended by this nonsense.

I commend Senator HELMS for his effort to try and clean up this type of what some people define as art, this type of obscenity, or lifestyle. I am not even critical of the lifestyle. I am just saying we should not subsidize it. Whether somebody is homosexual or lesbian, that is their business. But we have no business to subsidize those types of performances that are advocating that type of lifestyle. That is exactly what Mr. Frohnmayer did. And he knew there would be an outrage in Congress, but he did it anyway.

So I did send the President a letter and I said: Mr. President, I think you need to replace Mr. Frohnmayer. Not only did Mr. Frohnmayer make the decision, and also in a press interview he said, yes, I talked to somebody at the administration, and they did not indicate any opposition to this, and therefore I went ahead and did it. That is like, now he is going to pass the buck to them, because this going to be a hot potato. There is going to be political heat for this type of grant.

Then he puts that over on the President. I think the President would be better served by replacing Mr. Frohnmayer and, hopefully, make sure that we do not make this type of grant in the future.

Mr. President, think how ironic it is, that in the morning—and I want to include the second part of the rabbi's prayer, as I read his invocation. I want to read the benediction, because once again he mentions the world "God." In his benediction, Rabbi Gutterman stated:

> Oh, God, we are grateful to you for having endowed us with the capacity for learning, which we have celebrated on this joyous commencement. Happy families give thanks for seeing their children achieve an important milestone. Send your blessings upon the teachers and administrators who helped prepare them. The graduates now need strength and guidance for the future. Help them to understand that we are not complete with academic knowledge alone. We must strive to fulfill what you require of us all, to do justly, to love mercy and to walk humbly. We give thanks to you, Lord, for keeping us alive, sustaining us, and allowing us to reach this special happy occasion.

Mr. President, in his benediction he mentioned the word "God," and he mentions "Lord." I hope that Rabbi Gutterman's prayer will be answered not only for the graduates, but also for the Supreme Court and also for Members of this body. I pray to God that he will forgive us for having distorted the first amendment and the Constitution, as we have done so grossly by past decisions. Maybe with this Supreme Court, it will allow us to interpret the first amendment and allow us to have free exercise of religion, and not prohibit us freedom of speech, but just to give us the freedoms that were fought for, that were cherished by our forefathers, that we are to protect for tomorrow.

I yield the floor.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar No. 357 through and including Calendar No. 382, and all nominations placed on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy.

I further ask unanimous consent that the Senate proceed to their immediate consideration; that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and the Senate return to legislative session.

Mr. WARNER. Mr. President, first it is a pleasure to appear here in wrap-up with my distinguished friend from South Carolina.

NOMINATION OF VICE ADM. JEREMY M. BOORDA

Mr. WARNER. I should like to note for purposes of Calendar No. 381, the promotion of Adm. Jeremy M. Boorda, to be admiral, that I have known this individual for many years, beginning with my association with the Department of the Navy in 1969 as Under Secretary and later the Secretary. He is an extraordinary individual. I wish to state that I believe he will fulfill these new responsibilities in a certain area important to our security, namely, the Mediterranean and European area, with great distinction. I wish him and his lovely wife well.

The PRESIDING OFFICER. Without objection, the unanimous consent request is agreed to.

The nominations considered and confirmed en bloc are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

David F. Bradford, of New Jersey, to be a Member of the Council of Economic Advisers, vice Richard Schmalensee, resigned.

Paul Wonnacott, of Maryland, to be a member of the Council of Economic Advisers, vice John B. Taylor, resigned.

FEDERAL RESERVE SYSTEM

Susan Meredith Phillips, of Iowa, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1984, vice Martha R. Seger, resigned.

IN THE AIR FORCE

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be brigadier general

Col. Richard C. Cosgrave [redacted] Air National Guard of the United States.

IN THE ARMY

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Carmen J. Cavezza [redacted] U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Charles E. Dominy [redacted] U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Neal T. Jaco [redacted] U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William H. Harrison [redacted] U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Calvin A. H. Waller [redacted] U.S. Army.

The following-named officer for appointment as Assistant Judge Advocate General, U.S. Army and for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, section 3037:

To be assistant judge advocate general

To be major general

Brig. Gen. Robert E. Murray [redacted] U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent major general

Brig. Gen. David A. Bramlett, [redacted] U.S. Army.

Brig. Gen. Richard A. Behrenhausen, [redacted] U.S. Army.

Brig. Gen. John A. Leide, [redacted] U.S. Army.

Brig. Gen. Robert D. Orton [redacted] U.S. Army.

Brig. Gen. James R. Harding, [redacted] U.S. Army.

Brig. Gen. Frederick E. Vollrath, [redacted] U.S. Army.

Brig. Gen. Richard F. Keller [redacted] U.S. Army.

Brig. Gen. John C. Ellerson [redacted] U.S. Army.

Brig. Gen. Kenneth R. Wykle [redacted] U.S. Army.

Brig. Gen. David C. Meade [redacted] U.S. Army.

Brig. Gen. Ronald V. Hite, [redacted] U.S. Army.

Brig. Gen. Thomas M. Montgomery [redacted] U.S. Army.

Brig. Gen. Daniel W. Christman, [redacted] U.S. Army.

Brig. Gen. Richard E. Davis [redacted] U.S. Army.

Brig. Gen. James M. Lyle, [redacted] U.S. Army.

Brig. Gen. Richard G. Larson [redacted] U.S. Army.

Brig. Gen. Johnnie E. Wilson [redacted] U.S. Army.

Brig. Gen. William F. Garrison, [redacted] U.S. Army.

Brig. Gen. Dewitt T. Irby, Jr. [redacted] U.S. Army.

Brig. Gen. Thomas L. Prather, Jr., [redacted] U.S. Army.

Brig. Gen. John G. Coburn, [redacted] U.S. Army.

Brig. Gen. John H. Little [redacted] U.S. Army.

Brig. Gen. William G. Carter III, [redacted] U.S. Army.

Brig. Gen. Wesley K. Clark [redacted] U.S. Army.

Brig. Gen. Walter H. Yates [redacted] U.S. Army.

Brig. Gen. Hubert G. Smith [redacted] U.S. Army.

Brig. Gen. Charles W. McClain, Jr. [redacted] U.S. Army.

Brig. Gen. Richard E. Beale, Jr., [redacted] U.S. Army.

Brig. Gen. Paul E. Blackwell [redacted] U.S. Army.

Brig. Gen. Robert E. Gray, [redacted] U.S. Army.

Brig. Gen. Jared L. Bates [redacted] U.S. Army.

Brig. Gen. Richard F. Timmons, [redacted] U.S. Army.

The following-named Army Nurse Corps Competitive Category officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 634(c):

To be permanent brigadier general

Col. Nancy R. Adams, [redacted] U.S. Army.

The following-named officer for promotion in the Judge Advocate General's Corps, U.S. Army, and in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a), 624(c) and 3037:

To be permanent brigadier general

Col. Michael J. Nardotti, Jr. [redacted] U.S. Army.

The U.S. Army Reserve officers named herein for appointment in the Reserve of the Army of the United States in the grades indicated below, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Richard B. Burleson, [redacted]

Brig. Gen. Paul P. De La Vergne, [redacted]

Brig. Gen. George L. Gunderman, [redacted]

Brig. Gen. Gene P. Hale, [redacted]

Brig. Gen. Paul R. Lister, [redacted]

Brig. Gen. Robert L. Menist, [redacted]

Brig. Gen. Ross G. Pickus, [redacted]

Brig. Gen. Claude J. Roberts, Jr., [redacted]

Brig. Gen. John E. Scully, Jr. [redacted]

Brig. Gen. John E. Simek, [redacted]

Brig. Gen. Ronald E. Sneed, [redacted]

To be brigadier general

Col. Dale F. Andres, [redacted]

Col. William E. Barron, [redacted]

Col. Thomas C. Collins, [redacted]

Col. Alan E. Deegan, [redacted]

Col. George W. Goldsmith, Jr. [redacted]

Col. John M. Gosdin, [redacted]

Col. William B. Hobgood, [redacted]

Col. George O. Hillard, III, [redacted]

Col. Charles A. Ingram xxx-xx-xxxx
Col. Axel A. Johnson, III xxx-xx-xxxx
Col. James C. Johnson xxx-xx-xxxx
Col. Calvin Lau xxx-xx-xxxx
Col. Darrel W. McDaniel xxx-xx-xxxx
Col. James M. McDougal xxx-xx-xxxx
Col. Marilyn J. Musacchio xxx-xx-xxxx
Col. James H. Phillips xxx-xx-xxxx
Col. Steve L. Repichowski xxx-xx-xxxx
Col. Harold H. Shively, Jr. xxx-xx-xxxx
Col. Charles F. Smith xxx-xx-xxxx
Col. Carl J. Tegtmeier xxx-xx-xxxx
Col. Paul C. Bergson xxx-xx-xxxx

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles B. Eichelberger xxx-xx-x... U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Ellis D. Parker xxx-xx-xxxx U.S. Army.

The following-named Army Medical Corps officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of Title 10, United States Code, sections 611(a) and 624(c):

To be permanent brigadier general

Col. James J. James xxx-xx-xxxx U.S. Army.

Col. James B. Peake, xxx-xx-xxxx U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. William G. T. Tuttle, Jr. xxx-xx-xxxx U.S. Army.

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. Jimmy D. Ross, xxx-xx-xxxx U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Marvin D. Brailsford, xxx-xx-xxxx U.S. Army.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. William G. Pagonis xxx-xx-xxxx U.S. Army.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Leon E. Salomon, xxx-xx-xxxx U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Ira C. Owens, xxx-xx-xxxx U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a).

To be lieutenant general

Maj. Gen. Samuel N. Wakefield xxx-xx-xxxx U.S. Army.

IN THE NAVY

The following-named officer for appointment to the grade of admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. Jeremy M. Boorda xxx-xx-xxxx U.S. Navy.

The following officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601 and 5141:

To be chief of naval personnel

Rear Adm. (lh) Ronald J. Zlatoper xxx-xx-... xxx-... U.S. Navy.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nomination of Lt. Col. Sidney M. Gutierrez, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Donald L Mapes, and ending Kenneth D Scott, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Bradford L Riza, and ending Kurt D Schuman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Major James W. Bailey, xxx-xx-xxxx and ending Maj. Richard F. Hettinger xxx-xx-xxxx which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Major John L. Baker, xxx-xx-xxxx and ending Maj. Thomas S. Tucker, xxx-xx-xxxx which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Louis M Ayers, Jr., and ending Charles P Kielkopf, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Andrew J Adams, and ending Carlos R Zendejas, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning Gary J Abbate, and ending Don R Ziss, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Air Force nominations beginning David J Agema, and ending John F Ulrich, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 19, 1991.

Air Force nominations beginning Major Stephen J. Bittner, xxx-xx-xxxx and ending Maj. Kenneth K. Hsu, xxx-xx-xxxx which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 24, 1991.

Army nominations beginning William C. Ohl, II, and ending * Emil A. Stein, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Charles W. Andres, and ending Cynthia Trujillo, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Robert D. Jordan, and ending Gerald P. Rudd, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Paul D Amos, and ending Patricia Wise, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Rachel A Addison, and ending Theodore W Slone, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Flora T Abueva, and ending Craig W White, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Curtis T Anderson II, and ending Fran W Walterhouse, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Army nominations beginning Mark D Ahner, and ending Larry J. Dubose, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 25, 1991.

Army nominations beginning Johnny R Abbott, and ending 443a, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 24, 1991.

Marine Corps nominations beginning Scott W Evans, and ending Frank E Zeigler, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Marine Corps nominations beginning William B Bohn, and ending Robert Vojtik, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 19, 1991.

Marine Corps nominations beginning Laurence Farnen, Jr., and ending William D. York, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 22, 1991.

Navy nominations beginning David M Harlan, and ending David Leivers, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Navy nominations beginning Matthew A. Lisowski, and ending Sharon N. Hirako, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Navy nominations beginning Randall Scott Butler, and ending Michael Lee Thompson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1991.

Navy nominations beginning Hugh L. Middleton, and ending Miles L. Wilhelm, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 22, 1991.

Navy nomination of Michael Allen Baker, U.S. Navy, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 24, 1991.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

Mr. MITCHELL. Mr. President, I submit for the RECORD, a statement regarding Veterans Day by Senator CRANSTON, who is at the Stanford Medical School Hospital for tests.

VETERANS DAY

• Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I want to comment on the observance of Veterans Day next Monday, November 11, 1991.

We should be grateful that we can observe this Veterans Day while the Nation is at peace. At this time last year, the Nation was preparing for war. Our troops were massing in the Persian Gulf and no one, military experts included, could predict what course the conflict would take. In our relief and excitement at the swift outcome of the fighting, we celebrated. But we must not forget the 370 men and women who will never return home to enjoy victory parades or the thousands of soldiers who sustained injuries as a result of their service in the gulf. On this Veterans Day, we remember especially the sacrifices of all the men and women who gave of themselves in the Persian Gulf—their peace of mind, their limbs, their health, or their lives.

As I have stated many times during my tenure as chairman of the Veterans' Affairs Committee, the great costs of securing freedom do not end when the guns cease firing. Providing survivors is a continuing cost of war and must be recognized as such.

For veterans of the Persian Gulf, the war will never fade from memory. Our task must be to make sure our fellow citizens fully accept these ongoing costs of war. Health care must be provided to heal the wounds of war. Adequate compensation must be provided for these with service-connected disabilities. Programs of educational support, counseling, and employment assistance are needed to help with the readjustment to civilian life. According to the Congressional Budget Office, the cost of all veterans' benefits resulting from the Persian Gulf war will be approximately $148 million between now and 1996. The VA's estimate of the net present value of these benefits through the next 100 years is nearly $3.8 billion. Just as we must support our military personnel during the tense hours of combat, so too must we support them during the long and often painful hours of healing and the anxieties of readjustment.

We learned from the Nation's experience in Vietnam the importance of enthusiastic support for our troops, and the support of the American people for Operation Desert Storm veterans was wonderful. In our eagerness to support our newest class of veterans, however, we must not ignore the needs of all the Nation's veterans. With each new generation of veterans, we increase our knowledge of issues related to military service and combat. Near the end of the war in Vietnam, for instance, I conducted a series of hearing to identify how the Government was responding to the needs of veterans returning from that war. Since those first hearings, the Nation became acutely aware of the need for readjustment counseling and post-traumatic stress disorder treatment among war veterans. Although, regrettably, it took a full 10 years after those hearings, my legislation establishing readjustment counseling through vet centers was finally enacted into law in 1979. It is extremely important, as we continue to learn about the effects of war on servicemembers, that we not design new programs only for the veterans whose anguish revealed a desperate need for assistance but to all veterans who may be affected by similar problems. I introduced earlier this year, and the Veterans' Affairs Committee approved in S. 869, legislation that would require vet centers to furnish counseling to combat theater veterans of World War II and the Korean conflict in addition to Vietnam-era veterans. I expect Senate action on it soon and will be working hard for its enactment.

Mr. President, I convened hearings in July on the readjustment needs of Persian Gulf war veterans in order to identify the effects of the Persian Gulf war, both on those who participated and on their families. The military personnel who served in the gulf included an unprecedented number of women, mothers, and married persons. Our hearings revealed a considerable amount of stress, especially among Guard and Reserve members—who did not benefit from the extensive predeployment and reunion services that the Armed Forces provides for regular active duty personnel and families—of those who served in the gulf or in support of our operations there. To address these needs, I introduced, an the Veterans' Affairs Committee approved, legislation, S. 1553, to establish a program of marriage and family counseling for veterans of the Persian Gulf war and their spouses and families. Again, I anticipate Senate action on the bill in the near future and will do all I can to secure its enactment into law.

Mr. President, on Veterans Day, we honor through remembrances and observances those whose service and sacrifices have safeguarded our precious freedoms. On this and all other days of the year, we must honor veterans through our support for, and funding of, programs of benefits, services, and research that respond fully and appropriately to the needs of those men and women who have borne the burden of battle. Let us all, on this special day, renew our commitment to continuing our efforts on behalf of the Nation's veterans and their families.•

DEATH OF LEIGH ORTENBURGER

Mr. WALLOP. Mr. President, I would like to take a moment to pay tribute to Leigh Ortenburger, a long-time resident of Jackson Hole, WY, and a famous and beloved mountaineer in Grand Teton National Park, who was tragically lost in the firestorm that recently swept through the Oakland Foothills.

Leigh first came to Wyoming from Oklahoma in 1948 as a 19-year-old young man anxious to test his mettle against the spectacular Teton Range of northwest Wyoming. He soon became a guide in the elite Exum Climbing School in Grand Teton National Park, and within a few years went on to climb all the major peaks and routes within the Teton Range. A stickler for detail, and with over 26 first ascents under his belt, he went on to publish the authoritive "Climber's Guide to the Teton Range" in order to share his knowledge with those who would follow after him.

To his friends Leigh Ortenburger was a man of quiet competence, who inspired many others to reach within themselves and push their limits, to become all they could be in the mountains and in their other endeavors in life. He was quick to praise others and not to seek recognition for himself. For example, in 1967 one of the most difficult mountain rescues ever recorded occurred on the north face of the Grand Teton. Leigh volunteered to help the National Park Service rangers, and with his unmatched experience in effect served as the rescue leader. He was the first to descend the wet, black, and frozen 3,000-foot face to aid the injured climber 600 feet below, and for 3 days worked with the rescue team battling the elements to successfully save the climber's life. Afterwards the rangers involved were awarded the highest award available to NPS personnel by the President of the United States. As a private citizen, Leigh neither received nor sought any recognition.

In his red wool shirt, baggy pants, and a floppy hat, Leigh was an elf in the mountains, always with a smile on his face and unmatched in the respect he commanded from a wide circle of friends, colleagues, scholars, readers, and climbers. When not in his beloved Tetons, Leigh worked on sensitive national security matters, where his contributions to our national defense are reported to have been as significant as those he made in the mountains.

Leigh Ortenburger was a guide to many, not only in the mountains but in the walk through life. In 1986 another well-known, now deceased mountaineer and special friend of Leigh's, Dr. Fritof Fryxell, wrote of his friend:

This quiet but enthusiastic giant of the Tetons, whose understanding and appreciation and eloquence are not to be again matched, was truly special. His counsel was treasured and his encouragement was ever present. Truly his was a life worthy of emulation.

Mr. MITCHELL. Mr. President, I submit for the RECORD a statement regarding the 53d anniversary of the Kristallnacht, by Senator CRANSTON, who is at the Stanford Medical School Hospital for tests.

ADDRESSING THE CYCLE OF PAIN

• Mr. CRANSTON. Mr. President, this week marks the 53d anniversary of Kristallnacht or as it is known in English "the night of broken glass." On November 9, 1938, the Nazis orchestrated pogroms across Germany and Austria, unleashing violent attacks against Jewish lives and property. The arson attacks on property and synagogues, the murder of hundreds, and the mass arrests of some 20,000 Jews were the most widespread and destructive signals until that time of Hitler's plan to eradicate the Jewish people.

The gruesome Holocaust which ensued cannot be forgotten by any of us.

Although the Jewish people have survived and from the ashes of the concentration camps the modern State of Israel was born, what remains of German Jewry is a remnant of what was.

German reunification and the different paths East and West Germany took in grappling with the past have brought German-Jewish relations into sharper focus. Reports of violence against foreigners in Germany serve as a stark reminder of the hatreds which can be aroused in the face of economic crisis. The resurgence of anti-Semitism in Eastern Europe has evoked fear in the hearts of many who remember the events leading up to the destruction of European Jewry.

Now, more than half a century after the cataclysmic events symbolized by Kristallnacht, Phil Blazer, the visionary publisher of the International Jewish News, has organized a conference to build bridges between Jews from around the world and Germans from Berlin and other cities.

Addressing the cycle of pain is a historic gathering intended as a living memorial to the 6 million lives destroyed during the Holocaust. From November 7–10, activists and scholars from around the world will meet in Berlin to study the lessons of the past and work toward building a future free of the scourge of anti-Semitism.

Although Kristallnacht was the most widespread rampage of its kind, it was certainly not the first sign of Hitler's murderous intentions. Fifteen years earlier, Hitler wrote "Mein Kampf" outlining his plans for world conquest. The first concentration camp was built in 1933 and the Nuremberg Laws of 1935 stripped German Jews of their civil rights. Yet, these signposts were all but ignored.

I want to commend the participants of this unprecedented conference for addressing the painful issues of the past head-on. We cannot afford to shy away from trying to understand the human tragedy of the Holocaust.

Mr. President, we must address the cycle of pain if we ever hope to bring it to a close.•

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,427th day that Terry Anderson has been held captive in Lebanon.

HEALTH EQUITY AND ACCESS IMPROVEMENT ACT 1991

Mr. D'AMATO. Mr. President, I rise today to join Senators CHAFEE, COHEN, MCCAIN, and numerous others in introducing the Health Equity and Access Improvement Act of 1991. This bill contains several carefully crafted, achievable reforms that will go a long way toward making health care more accessible and affordable for all Americans.

Americans are dissatisfied with many aspects of our Nation's health care system—and with good reason. Health care costs are running out of control. With national health expenditures of $2,354 per person in 1989, our Nation spends more per capita than any other industrialized nation. At the same time, too many Americans are lacking in even the most basic coverage against the costs of medical care.

We need to address these flaws in our health care system, without threatening those elements of the system that Americans value, such as the ability to choose your own doctor, to avoid having to wait months for needed procedures, and to benefit from medical technology that is among the best in the world.

The Health Equity and Access Improvement Act is a package of reasonable proposals that will allow us to make significant progress toward this goal. Through an innovative combination of tax credits, insurance reforms, state demonstrations, and medical liability law reforms, this bill will help increase access to health care for those who are currently uninsured, while at the same time curbing the escalation of our Nation's health care costs.

Mr. President, those Americans without access to adequate health care cannot wait years for Congress to act on reform of the health care system. They need help immediately. This bill contains realistic, achievable proposals that can be implemented without delay. I am proud to be an original cosponsor of this bill to help millions of Americans who are currently underserved. I urge my colleagues to join me in cosponsoring this bill, and I urge its immediate adoption.

TELEPHONE ADVERTISING CONSUMER RIGHTS ACT

Mr. HOLLINGS. Mr. President I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 261, S. 1410, the Telephone Advertising Consumer Rights Act.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1410) relating to the rights of consumers in connection with telephone advertising.

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Advertising Consumer Rights Act".

SEC. 2. FINDINGS.

The Congress finds that:

(1) The use of the telephone to market goods and services to the home and other businesses is now pervasive due to the increased use of cost-effective telemarketing techniques.

(2) Over 30,000 businesses actively telemarket goods and services to business and residential customers.

(3) More than 300,000 solicitors call more than 18,000,000 Americans every day.

(4) Total United States sales generated through telemarketing amounted to $435,000,000,000 in 1990, a more than four-fold increase since 1984.

(5) Unrestricted telemarketing, however, can be an intrusive invasion of privacy and, when an emergency or medical assistance telephone line is seized, a risk to public safety.

(6) Many consumers are outraged over the proliferation of intrusive, nuisance calls to their homes from telemarketers.

(7) Over half the States now have statutes restricting various uses of the telephone for marketing, but telemarketers can evade their prohibitions through interstate operations; therefore, Federal law is needed to control residential telemarketing practices.

(8) The Constitution does not prohibit restrictions on commercial telemarketing solicitations.

(9) Individuals privacy rights, public safety interests, and commercial freedoms of speech and trade must be balanced in a way that protects the privacy of individuals and permits legitimate telemarketing practices.

SEC. 3. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) The term 'unsolicited telephone solicitation' means a telephone call by a live person for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, or for other commercial purposes, which is transmitted to any person without that person's prior express invitation or permission. Such term does not include calls or messages made by or on behalf of a tax exempt nonprofit organization.

"(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 make any unsolicited telephone solicitation in violation of the regulations prescribed by the Commission pursuant to subsection (c);

"(2) to send an unsolicited advertisement by a facsimile machine; and

"(3) to make any call using any automatic telephone dialing system, or an artificial or prerecorded voice—

"(A) to any emergency telephone line or pager of any hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency; or

"(B) to any telephone number assigned to paging or cellular telephone service.

"(c) PROTECTION OF SUBSCRIBER PRIVACY RIGHTS.—

"(1) RULEMAKING PROCEEDING REQUIRED.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding concerning the need to protect residential telephone subscribers' privacy rights to avoid receiving unsolicited telephone solicitations to which they object. The proceeding shall—

"(A) further define 'unsolicited telephone solicitation' consistent with subsection (a)(3);

"(B) compare and evaluate alternative methods and procedures, including the use of telephone electronic databases, telephone network technologies, special directory markings, industry and company based 'do not call' systems, and any other alternatives, individually or in combination, for protecting such privacy rights, in terms of their cost effectiveness and their other advantages and disadvantages;

"(C) evaluate the categories of public and private entities that would have the capacity to establish and administer such methods and procedures;

"(D) consider whether such methods and procedures may apply for local telephone solicitations, such as those of small businesses or holders of second class mail permits; and

"(E) develop proposed regulations to implement the methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of this section.

"(2) REGULATIONS.—Not later than 240 days after the date of enactment of this section, the Commission shall conclude the rulemaking proceeding initiated under paragraph (1) and shall prescribe regulations to implement methods and procedures for protecting the privacy rights described in such paragraph in an efficient, effective, and economic manner and without the imposition of any additional charge to telephone subscribers.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system (to make any telephone solicitation) in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of each transmission, the date and time it is sent and an identification of the business sending the message and the telephone number of the sending machine or of such business.

"(2) 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) can be used for the distribution of unsolicited advertising,

clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business sending the message, 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.

"(3) ARTIFICIAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) all artificial or prerecorded telephone 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) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(e) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; and

"(3) the use of artificial voice or prerecorded messages.

"(f) PREEMPTION OF INCONSISTENT INTERSTATE COMMUNICATIONS LAWS.—This section preempts any provisions of State law concerning interstate communications that are inconsistent with the interstate communications provisions of this section.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

Mr. PRESSLER. Mr. President, I support Senate passage of S. 1410, the Telephone Advertising Consumer Rights Act. I introduced this legislation in response to the national outcry over the explosion of unsolicited telephone advertising. Many consumers in my home State of South Dakota are simply tired of the nuisance of unwanted telephone solicitations. New technologies when combined with the telephone now give modern door-to-door salesmen an unrestricted ability to invade the privacy of our homes at any time.

Unlike other communications media, the telephone commands our instant attention. Junk mail can be thrown away. Television commercials can be turned off. The telephone demands to be answered.

People are increasingly upset over this invasion of their privacy by unrestricted telemarketing. In fact, the consumer backlash that has arisen from the cost and the interference of unsolicited telemarketing calls has sparked the introduction of over 1,000 bills in State legislatures around the country seeking to limit this abuse. We have heard the complaints of consumers.

This past June, we held hearings in the Commerce, Science, and Transportation Committee on S. 1410. During these hearings, we received testimony from consumer advocates, private citizens, and representatives of the telemarketing industry. The testimony we received was clear. The Federal Government needs to act now to provide uniform legislation to protect consumers.

The primary purpose of this legislation is to develop the necessary ground rules for cost-effective protection of consumers from unwanted telephone solicitations. These rules should allow responsible telemarketers to reach consumers who are most responsive to this form of solicitation, while eliminating the cost and time of contacting those individuals who would be least responsive.

To accomplish this balanced approach, the substitute we have before us today directs the FCC to prescribe regulations to protect the privacy rights of consumers from the intrusion of unsolicited telephone marketing calls. One such proposal the FCC would consider is the use of a telephone electronic database that would allow consumers to have their phone numbers protected from unsolicited advertising. This type of consumer protection has already been used with great success in the State of Florida. Another proposal the FCC would examine is the placement of all telemarketers on a single exchange, thus allowing consumers to block calls from that exchange.

Some objected to the original legislation because of the extent to which it outlined the safeguards necessary for

the creation of a national database. It is important to note that this substitute bill does not mandate the creation of an electric database. Rather, it gives the FCC flexibility in deciding the best approach to handling this problem. Personally, and in the eyes of many others, it appears that an electronic database clearly offers the most promising protection for consumers. However, we recognize that newer technologies may arise in the future. For this reason, our legislation directs the FCC to consider a number of alternatives.

We included in the substitute a provision that directs the FCC to examine whether local telephone solicitations by small businesses and second class mail permit holders should be subject to the same FCC regulations that would apply to all other telemarketers. Many small businesses conduct responsible telemarketing in the local areas they serve. Since their business depends upon their good standing in the community, they conduct their own telemarketing in a very respectable way.

This bill will not prohibit businesses from contacting their established customers. For example, if a credit card company like Citibank needs to contact a customer regarding their credit card account, clearly this would be allowed.

We have directed the FCC to further define the rules and regulation needed to allow businesses to contact customers who expected to receive calls from companies they do business with.

The purpose of the substitute is to prohibit cold calls by any telemarketer to the telephone of a consumer who has no connection or affiliation with that business and who has affirmatively taken action to prevent such calls. Responsible telemarketers will save both time and money by contacting only people who are most likely to respond positively to such solicitations.

S. 1410 also addresses problems arising from computerized calls. Due to advances in autodialer technology, machines can be programmed to deliver a prerecorded message to thousands of sequential phone numbers.

This results in calls to hospitals, emergency care providers, unlisted numbers, and paging and cellular equipment. There have been many instances of autodial machines hitting hospital switchboards and sequentially delivering a recorded message to all telephone lines. In some cases, the calling machine does not release the called party's line until the recorded message has ended. This renders the called party's phones inoperable. In an emergency situation, this can create a real hazard.

To remedy this situation, the substitute requires autodialer machines to release the phone line automatically after the called party hangs up. In addition, it requires all prerecorded messages to clearly identify the name, phone number, or address of the person or business initiating the call.

This bill also allows hospitals, police stations, fire stations, and owners of paging and cellular equipment to eliminate all unsolicited calls.

The growth of facsimile machines in the workplace has brought another form of unsolicited advertising—the junk fax. Unsolicited facsimile advertising ties up fax machines and uses the called party's fax paper. This costs the recipient both time and money. The substitute bill requires that autodial fax machines clearly mark on all transmissions the date and time of transmission, the identity of the sender, and the telephone number of the sending machine.

The substitute will not end all unsolicited calls, but it will allow consumers to choose how their telephones are used and requires vendors to respect that decision. The balanced approach taken by this legislation, should ensure a robust telemarketing industry while giving consumers relief from unwanted telephone solicitations.

AMENDMENT NO. 1310

(Purpose: To make an amendment in the nature of a substitute)

Mr. WARNER. Mr. President, on behalf of Mr. PRESSLER, I send a substitute amendment to the desk for immediate consideration.

The PRESIDING OFFICER. The clerk will report the substitute amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. PRESSLER, proposes an amendment numbered 1310.

Mr. WARNER. 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 reads as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Advertising Consumer Rights Act".

SEC. 2. FINDINGS.

The Congress finds that:

(1) The use of the telephone to market goods and services to the home and other businesses is now pervasive due to the increased use of cost-effective telemarketing techniques.

(2) Over 30,000 businesses actively telemarket goods and services to business and residential customers.

(3) More than 30,000 solicitors call more than 18,000,000 Americans every day.

(4) Total United States sales generated through telemarketing amounted to $435,000,000,000 in 1990, a more than four-fold increase since 1984.

(5) Unrestricted telemarketing, however, can be an intrusive invasion of privacy and, when an emergency or medical assistance telephone line is seized, a risk to public safety.

(6) Many consumers are outraged over the proliferation of intrusive, nuisance calls to their homes from telemarketers.

(7) Over half the States now have statutes restricting various uses of the telephone for marketing, but telemarketers can evade their prohibitions through interstate operations; therefore, Federal law is needed to control residential telemarketing practices.

(8) The Constitution does not prohibit restrictions on commercial telemarketing solicitations.

(9) Individuals' privacy rights, public safety interests, and commercial freedoms of speech and trade must be balanced in a way that protects the privacy of individuals and permits legitimate telemarketing practices.

SEC. 3. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) The term 'unsolicited telephone solicitation' means a telephone call by a live person for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services which is transmitted to any person without that person's prior express invitation or permission. Such term does not include calls or messages made by or on behalf of a tax exempt nonprofit organization.

"(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 make any unsolicited telephone solicitation in violation of the regulations prescribed by the Commission pursuant to subsection (c);

"(2) to send an unsolicited advertisement by a facsimile machine; and

"(3) to make any call (other than a call made for emergency purposes or made with the prior consent of the called party) using any automatic telephone dialing system, or an artificial or prerecorded voice—

"(A) to any emergency telephone line or pager (including any '911' line and any emergency line or pager of a hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency) or to the telephone line of any guest room or patient room of a hospital, health care facility, elderly home, or similar establishment; or

"(B) to any telephone number assigned to a paging service, cellular telephone service, specialized mobile radio service, or radio common carrier service, or any other service for which the called party is charged for the call.

"(c) PROTECTION OF SUBSCRIBER PRIVACY RIGHTS.—

"(1) RULEMAKING PROCEEDING REQUIRED.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding concerning the need to protect residential telephone subscribers' privacy rights to avoid receiving unsolicited telephone solicitations to which they object. The proceeding shall—

"(A) further define 'unsolicited telephone solicitation' consistent with subsection (a)(3);

"(B) compare and evaluate alternative methods and procedures, including the use of telephone electronic databases, telephone network technologies, special directory markings, industry and company based 'do not call' systems, and any other alternatives, individually or in combination, for protecting such privacy rights, in terms of their cost effectiveness and their other advantages and disadvantages;

"(C) evaluate the categories of public and private entities that would have the capacity to establish and administer such methods and procedures;

"(D) consider whether such methods and procedures may apply for local telephone solicitations, such as those of small businesses or holders of second class mail permits; and

"(E) develop proposed regulations to implement the methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of this section.

"(2) REGULATIONS.—Not later than 240 days after the date of enactment of this section, the Commission shall conclude the rulemaking proceeding initiated under paragraph (1) and shall prescribe regulations to implement methods and procedures for protecting the privacy rights described in such paragraph in an efficient, effective, and economic manner and without the imposition of any additional charge to telephone subscribers.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system (to make any telephone solicitation) in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of each transmission, the data and time it is sent and an identification of the business, other entity, or individual sending the message and the telephone number of the sending machine or of such business, other entity, or individual.

"(2) 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) can be used for the distribution of unsolicited advertising, clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business, other entity, or individual sending the message, 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.

"(3) ARTIFICIAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) to the extent not otherwise prohibited by law, all artificial or prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business, other entity, or individual initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address or such business, other entity, or individuals; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(e) PRIVATE RIGHT OF ACTION.—A person who has received more than one telephone call from the same entity, or delivering the same or a similar message, in violation of this section or regulations prescribed under this section may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State an action in such person's own name to enjoin such calls, an action to recover for actual monetary loss or be awarded $500 in damages for each violation, whichever is greater, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(f) ACTIONS BY STATE ATTORNEYS GENERAL.—

"(1) AUTHORITY OF ATTORNEYS GENERAL.—Whenever the attorney general of a State, or an official or agency designated by a State, has reason to believe that any person has engaged or is engaging in a pattern or practice of telephone calls to residents of that State in violation of this section or the regulations prescribed under this section, the State may bring a civil action on behalf of its residents to enjoin such calls, an action to recover for actual monetary loss or $500 in damages for each violation, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(2) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this subsection. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of this section and regulations prescribed under this section, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such provision. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) RIGHTS OF COMMISSION.—The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the States shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

"(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under this subsection in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(5) INVESTIGATORY POWERS.—For purposes of bringing any civil action under this subsection, nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(6) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this subsection shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

"(7) LIMITATION.—Whenever the Commission has instituted a civil action for violation of this section or regulations prescribed under this section, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for any violation as alleged in the Commission's complaint.

"(8) DEFINITION.—As used in this subsection, the term 'attorney general' means the chief legal officer of a State.

"(g) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; and

"(3) the use of artificial voice or prerecorded messages.

"(h) PREEMPTION OF INCONSISTENT INTERSTATE COMMUNICATIONS LAWS.—This section preempts any provisions of State law concerning interstate communications that are inconsistent with the interstate communications provisions of this section.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

The PRESIDING OFFICER. If there is no further debate, and no objection, the substitute amendment is agreed to.

So the amendment (No. 1310) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I rise today in support of the legislation currently before the Senate. There are several items, however, on which I would like clarification. First, I am troubled by the fact that this bill does not contain a specific exception allowing businesses to call their existing customers. Earlier drafts of this legislation contained such an exception. Second, I want to be sure that the FCC has the flexibility to adopt from a wide array of options whatever types of rules they find necessary to protect the public interest. The reported bill does not specify which approach they must choose. For example, they are not required to adopt a national database of prohibited numbers. Finally, I have concerns regarding the directions given to the FCC to explore the effect of the regulations on local telephone solicitations, and the extent of the Federal system with regard to intrastate calling.

First, with regard to existing business relationships, it would seem to me that businesses need to be able to contact customers with whom they have a prior or existing relationship. Furthermore, these are the types of calls customers want to receive, because it informs them about promotional opportunities from vendors with whom they have had relationships.

Is it not true that the committee deleted the established business relationship exception from the bill because it did not want to become involved in the technicalities of determining what this phrase means? Nevertheless, is it not true the FCC may consider establishing different rules concerning calls made by businesses to their prior or existing customers?

Mr. PRESSLER. Yes, that is correct.

Mr. GORE. Also, with regard to the rulemaking to be conducted by the FCC to protect telephone subscribers' privacy rights, it is my understanding that the FCC is free to adopt any type of regulation that they decide accomplishes the purpose of this legislation. The committee has specifically directed that the FCC consider as one possibility the option of mandating companies to maintain company-based do not call systems to identify customers who do not wish to be called again by that company. Is that correct?

Mr. PRESSLER. Yes, that is correct.

Mr. GORE. Furthermore, I also noticed that the committee has directed the FCC to consider whether the procedures eventually adopted should apply to businesses that conduct primarily local telephone solicitations. While the committee cites small businesses and holders of second-class mail permits such as newspapers as two examples of companies that conduct these types of solicitations, am I correct in my understanding that any company conducting primarily local telephone solicitations might be included in this category? It would seem that the provision should apply to companies that conduct business locally, and thus become part of the community, and are subject to the scrutiny of the community, and must live by their reputation in the community, regardless of the specific type of business they conduct. For example, one of my constituents, Olan Mills, has photography studios located across the country. However, each location generally conducts its solicitations directly from the studio, within the local community. Nearly all of these calls are local in nature, and rarely cross State boundaries unless the studio is located in a community near a State line. Am I correct in believing that this is the kind of business meant by the committee to be considered under this provision?

Mr. PRESSLER. Yes, that is correct.

Mr. GORE. Finally, I would like a clarification as to the relationship between the Federal regulations to be enacted by the FCC and State laws in the area of intrastate telephone solicitations. It would seem to me that in the area of these telephone solicitations, it would be preferable to have the Federal law as a national scheme to protect telephone subscribers. While the States remain free to adopt laws affecting intrastate communications, I am sure the Senator would join me in encouraging the States to adopt laws consistent with the Federal system to facilitate the telemarketers' ability to comply fully with both the State and Federal laws regarding intrastate communications.

Mr. PRESSLER. The Senator is correct in his understanding.

Mr. GORE. I thank the Senator for the clarification.

The PRESIDING OFFICER. If there is no objection, the committee amendment, as amended, is agreed to and the bill is deemed to have read a third time and passed.

[The bill (S. 1410), as amended, will appear in a subsequent issue of the RECORD.]

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTOMATED TELEPHONE CONSUMER PROTECTION ACT

Mr. HOLLINGS. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar 262, S. 1462, the Automated Telephone Consumer Protection Act.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1462) to amend the Communications Act of 1934 to prohibit certain practices involving the use of telephone equipment for advertising and solicitation purposes.

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Automated Telephone Consumer Protection Act".

SEC. 2. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) 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—

"(1) to make any call using any automatic telephone dialing system or an artificial or prerecorded voice—

"(A) to any emergency telephone line of any hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency; or

"(B) to any telephone number assigned to paging or cellular telephone service;

"(2) to initiate any telephone call to any residence using an artificial or prerecorded voice to deliver a message without the prior express consent of the called party, unless the call is initiated for emergency purposes; or

"(3) to send an unsolicited advertisement by a facsimile machine.

"(c) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system (to make any telephone solicitation) in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly

marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of the transmission, the date and time it is sent and an identification of the business sending the message and the telephone number of the sending machine or of such business.

"(2) 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) can be used for the distribution of unsolicited advertising,

clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business sending the message, 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.

"(3) ARTIFICAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) all artificial or prerecorded telephone 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 massage, state clearly the telephone number or address of such business; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(d) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; or

"(3) the use of artificial or prerecorded voice messages.".

"(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

Mr. HOLLINGS. Mr. President, I rise today to urge the Senate to approve S. 1462, the Automated Telephone Consumer Protection Act. The substitute amendment before the Senate addresses an enormous public nuisance. Computerized telephone calls are invading our homes and destroying our privacy. Consumers around the country are crying out for Congress to put a stop to these computerized telephone calls. Congress has a clear opportunity to protect the interests of our citizens, and we should not pass up this chance.

Computerized calls are the scourge of modern civilization. They wake us up in the morning; they interrupt our dinner at night; they force the sick and elderly out of bed; they hound us until we want to rip the telephone right out of the wall.

Even more important, these computerized telephone calls threaten our personal health and safety. In one case, a family that suffered an emergency illness could not call 911 because the telephone line was tied up by a computerized message. An elderly woman who was confined to bed in a hospital after surgery was constantly interrupted by computerized sales calls. Computerized calls tieup the emergency line of police, fire, and medical services and prevent real emergency calls from getting through.

These machines are out of control, and their use is growing by 30 percent every year. It is telephone terrorism, and it has got to stop.

Let me offer my colleagues a glimpse of the types of consumer complaints that I heard from some of my constituents in South Carolina concerning these computerized telephone calls.

Ms. Nadine Brock of the Anderson County Emergency Services testified as follows:

In my present position with the county government, we dispatch ambulances. And when these 911 calls are coming in from the computerized solicitations, it ties up those emergency lines. * * * So when these calls come in and tie up our emergency lines, then those real emergencies that come through cannot get through to us. And of course from the point of dispatching ambulances, this is a lifesaving emergency that we cannot meet when our lines are tied up on these computerized calls.

Ms. Beverly Nett of Incentives Unlimited in Greenville, SC, complained that her business is hampered by these computerized telephone calls. She said:

We have only six lines that come into our company and when one of the computerized messages come in, it is very frustrating because I cannot give them a piece of my mind because it is—like you said, it is going to go on and on. So if I simply hang up the phone on a computerized message, it rolls to the next line and to the next line, and somebody else in the office is picking it up. It even rolls into our fax machine and our fax machine will ring with these numbers. It takes time away from the office routine.

The telemarketing industry appears oblivious to the harm it is creating. Two months ago, a representative of the Direct Marketing Association said on television that telemarketers have a right to call us in our homes. This is absurd. I echo Supreme Court Justice Louis Brandeis, who wrote 100 years ago that "the right to be left alone is the most comprehensive of rights and the one most valued by civilized man".

Mr. President, I originally introduced this bill on July 11 of this year. Since then, my constituents in South Carolina and citizens around the country have deluged my office with letters of support for this bill. Senator INOUYE, the chairman of the Communications Subcommittee, held a hearing on the bill on July 24. Not one party at that hearing testified in opposition to the bill. Because of the enormous public support, the bill was ordered reported by the Commence Committee, which I chair, and without objection on July 31.

Mr. Steve Hamm, administrator of the Department of Consumer Affairs in South Carolina, informed me that his office receives more complaints about computerized telephone calls and 900 numbers than any other problems. Despite the fact that South Carolina recently passed legislation to protect consumers from unwanted computerized calls within our State, South Carolina consumers continue to suffer from computerized calls made from out-of-State. The State law does not, and cannot, regulate interstate calls. Only Congress can protect citizens from telephone calls that cross State boundaries. That is why Federal legislation is essential.

In response to these continuing consumer complaints in South Carolina, Mr. Hamm asked me to come down to South Carolina to hear directly from my constituents about their problems with 900 numbers and computerized telephone calls. I chaired 2 days of hearing on October 10 in Greenville, SC, and on October 11 in Columbia, SC. These hearings gave consumers in South Carolina the opportunity to relate their real-life experiences with these calls and to suggest some improvements to the bill.

Mr. President, the substitute bill I am offering today contains a number of small changes to the bill that was reported by the Commerce Committee. These changes address concerns that were raised at the hearing in Washington and hearings in South Carolina, and in the additional comments that were received from the public.

The substitute bill contains a private right-of-action provision that will make it easier for consumers to recover damages from receiving these computerized calls. The provision would allow consumers to bring an action in State court against any entity that violates the bill. The bill does not, because of constitutional constraints, dictate to the States which court in each State shall be the proper venue for such an action, as this is a matter for State legislators to determine. Nevertheless, it is my hope that States will make it as easy as possible for consumers to bring such actions, preferably in small claims court. The consumer outrage at receiving these calls is clear. Unless Congress makes it easier for consumers to obtain damages from those who violate this bill, these abuses will undoubtedly continue.

Small claims court or a similar court would allow the consumer to appear before the court without an attorney. The amount of damages in this legislation is set to be fair to both the consumer and the telemarketer. However, it would defeat the purposes of the bill if the attorneys' costs to consumers of bringing an action were

greater than the potential damages. I thus expect that the States will act reasonably in permitting their citizens to go to court to enforce this bill.

The substitute also permits the States to enforce the provisions of the bill. Several parties, including the Federal Communications Commission [FCC] itself, raised concerns that the FCC might not have the resources to pursue violators of this bill. The will of the FCC to enforce the bill rigorously was also questioned, especially since the chairman of the FCC submitted testimony at the July hearing to indicate that he believed the bill was unnecessary. To address these allegations, the bill permits the State attorneys general to enforce the provisions of the bill in Federal court. These provisions are noncontroversial and are almost identical to the provisions of S. 1392, which have already passed the Senate as part of the omnibus crime bill.

The substitute bill specifically directs the FCC to initiate a rulemaking to consider whether, and to what extent, restrictions might apply to calls placed to business telephones. This provision has been included in response to complaints from some businesses that computerized telephone calls are tying up their business lines. The Supreme Court has generally recognized that persons at work do not have the same level of privacy protection as is afforded to persons in their homes. Thus, the legality of a ban on unwanted computerized telephone calls to the workplace is uncertain. Restrictions other than a ban on such calls, however, might be justifiable. If the FCC finds, after a notice and comment proceeding, that the record justifies some form of restriction on computerized calls to the workplace on constitutional and policy grounds, the FCC is free to adopt such regulations.

The substitute makes clear that computerized calls can be made to emergency lines and cellular or paging lines in emergency situations, or with the consent of the called party. It is not my intention in this bill to restrict the use of artificial or prerecorded voice messages in genuine emergency situations. Such emergency situations are to be defined by the FCC, but it is expected that situations which pose a threat to the health and safety of persons or property would be included in the definition of emergency.

The substitute extends the ban on computerized calls to cover patient and guest rooms in hospitals, elderly homes, or other similar health care facilities. The obvious purpose of this provision is to protect the health of persons who may find it difficult to answer the telephone. Such persons deserve the same amount of protection as persons in their homes, and possibly more protection. These persons suffer not only from an invasion of their privacy; they also suffer a potential risk to their health because of the difficulty in reaching the telephone.

This provision was added in response to numerous consumer complaints from persons who were lying in hospital rooms recovering from surgery and were disturbed by computerized telephone calls. Hospital patients often need extended hours of sleep or rest to aid their recovery. While the FCC might have defined either emergency lines or residence to include hospital guest rooms, I believe it is wiser to include this specific provision in the legislation to make clear our intent. Although this provision is to be interpreted by the FCC consistent with the constitutional guarantees of free speech it is not expected that this provision would apply to guest rooms in hotels or other where the privacy or health interests are not as great as those I have just described.

Finally, the substitute recognizes that the FCC has the authority to craft different rules, including an exemption, for certain types of calls. This provision responds to the concerns expressed by some telephone companies about new services, and some companies that use machines to place calls for debt-collection purposes. In considering the need for special rules, however, the FCC must be careful to ensure that its rules are fully consistent with the first amendment protections in the constitution. This bill carefully avoids drawing any distinctions among types of calls based on the content of the message being delivered. The provisions of this bill apply whether these calls are made for commercial, political, or other purposes. This content-neutral approach is essential to preserve the unbiased, nondiscriminatory nature of this legislation. If the FCC finds, however, that some distinctions can be justified on policy grounds and constitutional grounds, the FCC is free to adopt rules to recognize those distinctions.

The substitute bill also contains a number of minor clarifications that are consistent with the intent of the original bill. For instance, the substitute extends the ban on calling paging and cellular lines to specialized mobile radio, radio common carrier, and other services that charge the person receiving the call. The substitute also allows consent to be given orally, in writing, electronically, or by any other means, as long as the consent is expressly given to the particular entity making the call. Such consent could be obtained, for instance, by including a clause in a contract or purchase agreement indicating that signing the agreement constitutes the purchaser's express consent to receive a computerized call concerning that service or product. Such consent also could be obtained by a live person who simply asks the called party whether he or she agrees to listen to a recorded message.

This bill has been drafted to comply strictly with the first amendment guarantees of freedom of speech. The record of our hearings demonstrates that a ban on computerized calls to the home—except in emergencies or with the called party's consent—is the least restrictive means of protecting the consumer's privacy in the home. There is no other alternative that will protect the interests of the consumer. Any proposed new technology or other method of allowing consumers to avoid receiving these calls is likely to be ineffective or place too much of the burden on the consumer to protect his or her privacy interests.

Let me also make clear with respect to the Constitution that this legislation does not cover calls made by live persons. The intention of this bill is to deal directly with computerized calls. From the record of the hearings we have held and the consumer complaints we have received, it is clear that it is the computerized call that generates the most significant consumer outrage and that is most clearly an invasion of our privacy, a nuisance, and a threat to our health and safety. Mr. Hamm testified at our hearings in South Carolina:

> And I think that while I have not found any individuals that are crazy about telephone solicitations generally, I have not talked to the first consumer nor the first business that welcomes these kinds of calls in terms of computer calls.

All this legislation requires is that when a person is called at home, there must be a live person at the other end of the line. This applies regardless of the message being delivered because it is an equal invasion of privacy whether the computerized message is made for political, charitable, or commercial purposes.

Mr. President, these changes have been fully shared and explored with the members of the industry and the consumer representatives who support this bill. There is no significant opposition to the bill. I believe Congress should carryout its duty to protect the integrity of the home and stop this unwarranted invasion of our privacy. I therefore urge the passage of this substitute bill by the Senate.

Mr. WARNER. Mr. President, I join my distinguished colleague from South Carolina, the chairman of the committee that has jurisdiction over this legislation, in urging the adoption of this legislation. Indeed, the most important thing we have in this country is our freedom and our privacy, and this is clearly an invasion of that.

Mr. HOLLINGS. I thank the distinguished colleague.

AMENDMENT NO. 1311

(Purpose: To make an amendment in the nature of a substitute, and to amend the title of the bill)

Mr. HOLLINGS. Mr. President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 1311.

Mr. HOLLINGS. 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 all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Automated Telephone Consumer Protection Act."

SEC. 2. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) 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.—

"(1) REGULATIONS.—The Commission shall prescribe regulations to make it unlawful for any person within the United States—

"(A) to make any call (other than a call made for emergency purposes or made with the prior express consent of the called party) using any automatic telephone dialing system or an artificial or prerecorded voice—

"(i) to any emergency telephone line (including any '911' line and any emergency line of a hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency) or to the telephone line of any guest room or patient room of a hospital, health care facility, elderly home, or similar establishment; or

"(ii) to any telephone number assigned to a paging service, cellular telephone service, specialized mobile radio service, or radio common carrier service, or any other service for which the called party is charged for the call;

"(B) to initiate any telephone call to any residence using an artificial or prerecorded voice to deliver a message without the prior express consent of the called party, unless the call is initiated for emergency purposes;

"(C) to send an unsolicited advertisement by a facsimile machine; or

"(D) to use an automatic telephone dialing system in such a way that two or more telephone lines of a multi-line business are seized simultaneously.

"(2) PRIVATE RIGHT OF ACTION.—A person who has received more than one telephone call from the same entity, or delivering the same or a similar message, in violation of regulations prescribed under this subsection may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State an action in such person's own name to enjoin such calls, an action to recover for actual monetary loss or receive $500 in damages for each violation, whichever is greater, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss up to $1,500 for each violation, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(3) CALLS TO BUSINESSES.—In the course of its rulemaking proceeding to prescribe regulations under paragraph (1), the Commission shall consider prescribing regulations to allow businesses to avoid receiving calls made using an artificial or prerecorded voice message to which they have not given their prior express consent.

"(4) EXEMPTIONS AND OTHER PROVISIONS.—In the course of its rulemaking processing to prescribe regulations under paragraph (1), the Commission shall also determine whether and to what extent the regulations should include exemptions and other provisions to address special circumstances, consistent with the public interest, convenience, and necessity.

"(c) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of the transmission, the date and time it is sent and an identification of the business, other entity, or individual sending the message and the telephone number of the sending machine or of such business, other entity, or individual.

"(2) 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) can be used for the distribution of unsolicited advertising,

clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business, other entity, or individual sending the message, and the telephone number of the sending machine or of such business, other entity, or individual. 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.

"(3) ARTIFICIAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) all artificial or prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business, individual, or other entity initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business, other entity, or individual; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(d) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; or

"(3) the use of artificial or prerecorded voice messages.

"(e) ACTIONS BY STATES.—

"(1) AUTHORITY OF STATES.—Whenever the attorney general of a State, or an official or agency designated by a State, has reason to believe that any person has engaged or is engaging in a pattern or practice of telephone calls to residents of that State in violation of the regulations prescribed under this section, the State may bring a civil action on behalf of its residents to enjoin such calls, an action to recover for actual monetary loss or receive $500 in damages for each violation, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss up to $1,500 for each violation, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(2) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this subsection. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording life relief, commanding the defendant to comply with the provisions of regulations prescribed under this section, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such regulations. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) RIGHTS OF COMMISSION.—The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

"(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under this subsection in a

district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(5) INVESTIGATORY POWERS.—For purposes of bringing any civil action under this subsection, nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance or witnesses or the production of documentary and other evidence.

"(6) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this subsection shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

"(7) LIMITATION.—Whenever the Commission has instituted a civil action for violation of regulations prescribed under this section, no State may, during the pendence of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for any violation as alleged in the Commission's complaint.

"(8) DEFINITION.—As used in this subsection, the term 'attorney general' means the chief legal officer of a State.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment (No. 1311) was agreed to.

Mr. INOUYE. Mr. President, I rise today to voice my support for S. 1462, the Automated Telephone Consumer Protection Act offered by my good friend and colleague, Senator HOLLINGS, and S. 1410, the Telephone Advertising Consumer Rights Act offered by my other good friend, Senator PRESSLER. These bills address an urgent and pressing problem in American society—the proliferation of machine-generated and live telephone calls.

I have great respect for the telemarketing industry. Telemarketing is a useful and cost-effective tool for many merchants. But telemarketers must learn not to take advantage of their technology. They must learn to respect the privacy rights of consumers in their homes. They must learn not to tie up the telephone or fax lines of businesses without prior consent. And they must ensure that they limit the danger to emergency services.

The two bills before the Senate today, Senator HOLLINGS' bill to regulate computerized telephone calls, and Senator PRESSLER's bill to regulate calls by live persons, are reasonable attempts to protect consumers, businesses, and emergency services from unwanted telephone calls. There is overwhelming support for both of these bills, and these substitute versions reflect the substantial input of the telemarketing industry. I applaud both my colleagues for their work to protect the telephone consumer, and look forward to having these bills enacted into law before the end of this year.

Mr. BENTSEN. Mr. President, I join my colleague, the distinguished Senator from South Carolina, Senator FRITZ HOLLINGS, in supporting the immediate passage of S. 1462, the Automated Telephone Consumer Protection Act of 1991. This bill addresses an issue of great concern to many of my Texas constituents and people all over the country: The unreasonable encroachment upon their privacy by unsolicited, automated telephone calls to homes, businesses, and public institutions and by the unsolicited use of facsimile machines to transmit advertising.

Automatic dialer recorded message players are used by telemarketers to automatically dial a telephone number and deliver an artificial or prerecorded voice message. The use of these machines makes long distance telemarketing much less expensive. As a result, these machines are widely used and the telemarketing industry has grown by immense proportions.

Advertisements for all kinds of consumer products, trips, investments, credit cards, and sweepstakes are frequently communicated to home, business, and cellular telephones, as well as paging machines, through the use of automated calls. Such advertisements are also transmitted to facsimile machines. One survey found that about 75 percent of the public favor some form of regulation of these calls, and one-half of these favored prohibiting all unsolicited calls.

As Senator HOLLINGS has noted, consumer complaints about the use of these machines and the use of junk fax have steadily increased.

This bill would ban all unsolicited automated calls to the home that are not made for emergency purposes. It would also ban all automated calls to emergency telephone lines, cellular telephones, and paging systems. Furthermore, it would ban all unsolicited advertising to facsimile machines.

In spite of the traditional hesitancy of Congress to pass legislation that regulates a particular industry or technology, we must enact this bill in order to avoid the unreasonable interference with the privacy of consumers and the normal conduct of public and private business. I urge my colleagues to endorse this important legislation that will restrict the use of automated calling and junk fax, without making distinctions based upon the content of the respective communications.

The PRESIDING OFFICER. The bill is open to further amendment. 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 in the nature of a substitute, as amended, was agreed to.

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

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

[The bill (S. 1462) will appear in a subsequent issue of the RECORD.]

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The title was amended so as to read: "A bill to amend the Communications Act of 1934 to prohibit certain practices involving the use of telephone equipment.".

CHANGE OF VOTE—ROLLCALL 246

Mr. WARNER. Mr. President, I propound a unanimous-consent request which has been cleared by both the majority and Republican leader. I ask unanimous consent to change my vote from "nay" to "yea" on rollcall 246, adopting the conference report on H.R. 2707 for fiscal year 1992 Labor-Health and Human Services and Education appropriations bill. The measure was approved by a majority, 72 to 25, and the addition of an affirmative vote, making 73 to 24, will have no effect on the outcome.

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

(The foregoing tally has been changed to reflect the above order.)

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The 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.

SENATE REFORM

Mr. BOREN. Mr. President, as we come near the close of this legislative week, I again want to discuss an issue that I have been discussing now on a weekly basis in the Senate with our colleagues and with the American people. That is a need to reform Congress as an institution. All of us realize that we have serious problems with the functioning of this institution. There are constructive changes that need to be made so that we can better fulfill our responsibilities, to grapple with the problems which confront us.

The last time that Congress took a major look at itself and made sweeping reforms at its own internal structures and procedures was in the period immediately after World War II, as the cold war was about to begin. In 1946, 1947, the Monroney-La Follette Commission was established by a joint action of the House and Senate to examine the institution of Congress, to make sure that the Congress was ready to meet the challenges of a new age.

The cold war was beginning. The superpower confrontation was beginning. There were major challenges to be met. And the result of that study, which was carried on for almost a year by Members of the House and the Senate, with the help of outside experts, staff donated by the American Political Science Association, resulted in a major overhaul of Congress as an institution.

The committee structure was rationalized in both the House and Senate so that the jurisdiction was identical in the two Houses, so that when conference committees met, they had but two committees to meet in conference. We are often now confronted, as jurisdictions are basically different between the House and the Senate, sometimes with as many as 8, 9, 10, even a dozen committees having partial jurisdiction over the matters of disagreement between the House and the Senate.

As I said a few days ago on the Senate floor, sometimes it seems more appropriate to rent out the Versailles Palace and the Hall of Mirrors to have a conference committee, because so many people are involved. Sometimes, over a hundred people are involved in a conference committee, trying to work out a compromise between the House and the Senate.

So one of the major elements of the changes made back in the period immediately after the end of World War II was to rationalize the committee structure and to make sure that there was parallel jurisdiction between the two Houses so that we could work together more easily.

Now that the cold war is coming to an end, and now that we confront, again, new challenges for our country, a new world situation, a situation that will require a whole different set of assets that remain influential in the world and play a leadership role, it is time again for Congress to take a look at itself.

We have, of course, been impacted by the events of the last several weeks, and our proposal in Senate Concurrent Resolution 57 was one that was submitted before the events of the last few weeks. But they have only, I think, intensified the interest of the American people in this proposal, and the consideration which should be given to it by our colleagues in the Senate and the House.

We have been buffeted by events, by the publicity about the operation of the House bank, by a very controversial and divisive confirmation process on the Thomas nomination, and by other events that have caused the American people to express an even higher level of dissatisfaction with the Congress and an even lower level of trust in this institution.

It is not only, however, just because of those criticisms that have been leveled at the Congress that I think it is time for us to undertake a major reform effort; it is because all of us know from our personal experience that we could do our job better. I view this as not a time simply for reacting to criticism, although I think we should heed the voices of the people which have expressed dissatisfaction with the performance of Congress and the performance of Government in general.

But I think we should also view it as an opportunity, a constructive opportunity to set up a structure here that is appropriate for the changed world environment, a structure that will make it easier for us to consider the major policy questions that confront us, to rebuild the economic strength of this country, to rebuild our social strength, to revitalize our educational programs, to combat the need to improve the competitiveness of American business and industry in world markets, to change tax policy to encourage investment and savings and increased productivity.

Major decisions need to be made. Major problems need to be confronted, and many of us, at the end of a legislative week, or at the end of a legislative day in which we put in long hours, often are left with the feeling that while we have been caught up in almost continuous activity, that sometimes not much of it has been directed to the big problems that confront our country; that we have been weighted down with trivia, with legislative proposals that are not really important enough to take our time, and that it becomes more and more difficult for us to have time for reflection, for consultation with one another, and for even focusing the activities of our committee on those big problems, those big issues of policy that in the final analysis will determine whether or not we are really leading America into the next century, prepared for the challenges that we will have to meet.

Changing the structure of Congress, reforming the structure of Congress itself, passing meaningful campaign finance reform so that we will be able to devote more of our time and attention to the solving of problems instead of the raising of money for the next campaign, will not in themselves guarantee that we will have either the insight or the vision or the political courage to do what we need to do to serve our country well.

But by devising a structure and by changing the campaign laws so that we will have more of our time available to focus on the real problems of this country, we at least create an atmosphere in which there is a greater likelihood we will make the decisions that need to be made for the sake of our country.

So, Mr. President, I do not say that congressional reform, the reform of this Congress as an institution, the getting under control of the bureaucracy of this institution, the rationalizing of the 300 committees and subcommittees which we have, the examination and improvement of our rules so that we can take up one subject matter at a time and consider it without the disruption of extraneous matters being added as amendments during the process, and many other items that we should at least consider with an open mind as we review where Congress is, I am not saying that doing these things alone will assure us a first-rate educational system or a balanced budget or a tax policy that will enable us to save and invest and compete in the world marketplace or a health program that will serve the needs of all Americans and make health care, basic health care available at affordable prices to the American people or will take care of the unemployed or will reform the welfare system so that people can be put to work doing something productive in return for any payments which they receive from the Government.

Those actions will not automatically follow from campaign finance reform or from reform of the structure of this institution. But I do believe, Mr. President, that they will make the focus on these problems more likely and they will make it more likely that we will have a positive result and take the right actions in this area.

Mr. President, as I said when I began these discussions on the floor several days ago and indicated that I would continue to come to the floor each and every week until there is action to commence hearings on this proposal and until there is a positive action on behalf of both Houses to enact campaign finance reform and to start the process of taking an objective look at ourselves in terms of how we function, the efficiency with which we function, the manner in which we function—as I said when I began the discussion of these issues, we are the trustees of the Senate. We occupy these chairs. They do not belong to us. They belong to the people.

When we open the drawers and look at the names that are inscribed in the drawers of all of these desks, following the tradition of 200 years of Members of this institution to write their names or carve their names inside the desk drawers, and we pull open those drawers and we see those names written there, the Websters, the Clays, the Calhouns, the Tafts, the La Follettes, those who have served as President of

the United States, the Harry Trumans, others whose names are inscribed inside these desk drawers, we are reminded of the past greatness of this institution. We are reminded of how well it has served our country and preserved our democracy, how well in times of emergency and social unrest, in times of war, in times of depression, in times of crisis for our country this institution has responded to meet the needs of the American people and to help shepherd, along with the executive branch and the judicial branch, our country through perilous times.

Mr. President, we are all a part of an institution that is greater than ourselves. We are all a part of the democratic institutions of government, the Senate of the United States, that is far more important in terms of how it functions and how it serves the American people than the individual political interests of any of us or the interests of the Democratic Party or the Republican Party. We are a part of something greater than ourselves, and it is what gives us satisfaction in our daily lives because we are a part of a process that is worthy of sacrifices that we might make personally to it in order to be public servants in the real sense of that term.

That is why, Mr. President, we must not turn our backs on the problems that we see around us. There are good men and women in this institution attempting to serve the people, attempting to make a difference on a daily basis who become more and more frustrated because they are diverted by the need to raise campaign funds. They are diverted by the need to rush from one subcommittee hearing to another on some meaningless or very unimportant proposal. They are diverted from doing the job that they came here intending to do, to tackle the big problems facing this country, and to do it with vision, and to do it with courage, and to do the right thing without regard to political consequences.

We cannot therefore turn our backs on the fact that this institution needs to be repaired. It needs to be revitalized. We need to take actions so we can once again merit the respect of the American people.

So that when we are walking across a room in some public place and someone says, "Is that not a Member of the Congress?" instead of lowering our heads and averting our eyes and hoping that maybe they will not recognize the fact that we serve in this institution, that we would raise our heads with pride and say, "Yes, it is a privilege to be a part of that institution, and to try to render public service, and to be in a forum where we are really grappling with the issues that matter to the future of your children and your grandchildren."

That is what we should have in this institution. That is how we should feel about being Members of this institution. Sadly, some of the days through which we have passed recently, even, we have not had that sense of pride that we should feel.

That means we have not been doing our jobs as we should to keep this institution healthy, strong, vital, and serving the American people, preparing this country for the challenges of the next century, making sure that our economic decline will not continue, making sure that our children will have a first-rate educational system so that they will have the skills necessary not only to prosper, but to survive in their adult lifetime because they are going to be in a world market competing with the best and brightest from around the world to a greater degree than any generation of America's children have had to compete in the past.

So, Mr. President, I again end this week with a plea to my colleagues: Let us step up and be trustees of this institution. Let us be worthy of the title Senator and Congressman and Congresswoman by making sure that we do all we can to make this institution function as well as it can, that we take this opportunity for constructive action, that as our world changes again in a fundamental way, just as it changed at the end of World War II, as we see the cold war coming to an end and a new age with new challenges coming before us, that we do what the Congress did in 1946 and 1947 with the Monroney-LaFollette reform effort, that we step back and we take action once again to restructure and to reform this institution.

Now 21 Members of the Senate have joined as cosponsors of this resolution. There are over 100 Members of the House that have joined in this effort. It is our goal that by the time the Senate and House leave for Thanksgiving we will have a majority of the Members of both Houses of Congress signed on to a major reform effort for this institution. I hope that will happen.

The distinguished chairman of the Rules Committee has indicated to me that he hopes to have hearings commencing soon on this matter. I appreciate his very constructive and positive response to our proposal. As I have indicated before Senator FORD is one of those who has devoted much of his time already to trying to improve this institution. He has made major improvements in printing and mailing, reducing the costs of this institution for which I have commended him on the floor.

Our two leaders, who are now on the floor, the Democratic and the Republican leader, struggle on a daily basis to make this place work, to get the people here at a time and to do the business of the country at a time that it needs to be done, in an orderly fashion. We need to try to help them in this task.

Mr. LOTT. Mr. President, will the distinguished Senator yield?

Mr. BOREN. I am happy to yield to my friend, the Senator from Mississippi.

Mr. LOTT. I want to commend the distinguished senior Senator from Oklahoma for what he has been doing in this area and what he has had to say today.

There is a tremendous need for us to look into possible ways to have reforms, to improve the way we do business, the way we serve the people. I think he is doing an excellent job in this area. I want to join in supporting what he is trying to do.

I would like to ask one question. What is the process that my colleague envisions of how we might get this done? He was beginning to talk about it a little bit. He says the Rules Committee expressed an interest in it. Do they anticipate some hearings? Are we going to develop legislation in which we will consult with leadership?

I really am serious about trying to get this done. I hope that we will make sure there is a mechanism for it, not just an opportunity for us to talk about it.

Mr. BOREN. I thank my good friend from Mississippi for his question. I know he has expressed a lot of interest to me on this subject in the past. He may have joined as a cosponsor of the Senate concurrent resolution 57. I believe he has. It was to set up as a committee as was done with the Monroney-La Follette committee that would report back major changes and positive suggestions in overhauling the Congress as an institution in a certain period of time.

We will not be establishing another permanent committee. It would have existence only for limited duration of time. It would be totally bipartisan. It would have to use outside experts, and in fact to receive volunteer service so we will not have to spend a lot of money and build a huge bureaucracy to help some new committee and new study effort. It then would report back its recommendations to the Congress which then would of course have to be voted on, enacted in the rules changes and in the statutory changes for them to take effect.

My hope is that kind of effort would be successful. It was successful. We would add on to the old Monroney-La Follette study which had a lot of volunteer Member help, and outside experts who came in and helped at very little cost to the Government. Sometimes by making a major proposal for change, and a major reform, it is easier to get it done than it is piecemeal, a little bit at a time, because everyone is giving up something at the same time. The Members are all being asked to make some personal sacrifices at one time. The difficulty is we are all in the same boat together. It is time for us to really do something for the institution.

And I think it is better to do it in a bold dramatic way which we hope will happen under this proposal; it would be piecemeal. As I have indicated, the Rules Committee in both Houses would have hearings on the concurrent resolution. Congressman LEE HAMILTON and Congressman GRADISON have introduced a companion resolution to that introduced by Senator DOMENICI and myself here in the Senate, and they have introduced it on the House side. We are making a lot of progress and getting cosponsors and are requesting hearings on both sides at this time. I thank my colleague for his questions.

I see the two leaders are here to complete the Senate's business, and having just spoken about the need to provide greater assistance, as we look at ways that would change the Senate, that would allow the two leaders to conduct business in a more orderly fashion and to ease the frustrations they have, I will not interfere with their concluding business at this time.

I thank the Chair and my colleagues for hearing me out.

OLDER AMERICANS ACT OF 1965

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 225, S. 243, a bill to revise and extend the Older Americans Act of 1965, at 11 a.m. on Tuesday, November 12.

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

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

Mr. MITCHELL. Mr. President, the Republican leader and I have had previous discussions about the banking bill. I want to state for the record that, on our side of the aisle, we Democrats are now in a position to proceed to the consideration of S. 543, the banking bill. I want to inquire of the Republican leader if he is in a position to give consent on his side so that we might be able to proceed with that bill.

Mr. DOLE. Mr. President, I personally have no problems with proceeding to the bill. I must inform the majority leader that I am not in a position to give consent to do that.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I therefore move to proceed to Calendar No. 245, S. 543, the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991, and send to the desk a cloture motion on the motion to proceed to that bill.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 543, the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991:

Richard H. Bryan, Claiborne Pell, Alan J. Dixon, Carl Levin, Don Riegle, Timothy E. Wirth, Jim Sasser, J. Lieberman, George Mitchell, Pete Domenici, Thomas Daschle, D. Inouye, Albert Gore, Christopher Dodd, Jay Rockefeller, Harry Reid.

Mr. MITCHELL. Mr. President, I now withdraw the motion to proceed to S. 543.

The PRESIDING OFFICER. The motion to proceed is withdrawn.

CLOTURE VOTE ON S. 543

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the cloture vote on the motion to proceed to S. 543 occur on Wednesday, November 13, in accordance with the provisions of rule XXII, and that the mandatory live quorum be waived.

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

ORDERS FOR TOMORROW AND TUESDAY, NOVEMBER 12, 1991

Mr. MITCHELL. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Friday, November 8; that on Friday, the Senate convene for a pro forma session only; that when the pro forma session closes, the Senate stand in recess until 10 a.m., Tuesday, November 12; that on Tuesday, November 12, following the prayer, the Journal of the proceedings be deemed approved to date, and following the time for the two leaders, there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each; that the Senate stand in recess from 12:30 until 2:15 p.m. in order to accommodate the respective party conferences.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on November 7, 1991, during the recess of the Senate, received a message from the House of Representatives announcing that the House agrees to the report of the committee of conference on the disagreeing votes on the two Houses on the amendments of the Senate to the bill (H.R. 2707) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1992, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 42, 66, 71, 108, 109, 150, 167, 172, 197, 206, and 213 to the bill, and agrees thereto; and that it recedes from its disagreement to the amendments of the Senate numbered 3, 7, 9, 13, 26, 29, 35, 38, 41, 49, 52, 64, 65, 68, 73, 79, 87, 90, 93, 94, 95, 96, 99, 112, 122, 124, 126, 130, 132, 133, 135, 140, 141, 142, 143, 151, 156, 158, 161, 164, 176, 179, 181, 188, 200, 205, 214, 218, and 219 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolutions:

S. 1848. An act to restore the authority of the Secretary of Education to make certain preliminary payments to local educational agencies.

H.J. Res. 140. Joint resolution designating November 19, 1991, as "National Philanthropy Day";

H.J. Res. 177. Joint resolution to designate November 16, 1991, as "Dutch-American Heritage Day"; and

H.J. Res. 280. Joint resolution to designate the week beginning November 10, 1991, as "Hire a Veteran Week."

The enrolled bill and joint resolution were subsequently signed, during the session of the Senate, by the Acting President pro tempore [Mr. SANFORD].

MESSAGES FROM THE HOUSE

At 4:46 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, each without amendment:

S.J. Res. 36. Joint resolution to designate the months of November 1991, and November 1992, as "National Alzheimer's Disease Month";

S.J. Res. 145. Joint resolution designating the week beginning November 10, 1991, as "National Women Veterans Recognition Week"; and

S.J. Res. 188. Joint resolution designating November 1991 as "National Red Ribbon Month."

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 3350) to extend

the United States Commission on Civil Rights.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2950) to develop a national intermodal surface transportation system, to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Public Works and Transportation for the consideration of the entire House bill (except title VII), the entire Senate amendment, and modifications committed to conference: Mr. ROE, Mr. ANDERSON, Mr. MINETA, Mr. OBERSTAR, Mr. NOWAK, Mr. RAHALL, Mr. APPLEGATE, Mr. DE LUGO, Mr. SAVAGE, Mr. BORSKI, Mr. KOLTER, Mr. HAMMERSCHMIDT, Mr. SHUSTER, Mr. CLINGER, Mr. PETRI, Mr. PACKARD, Mr. BOEHLERT, and Mrs. BENTLEY.

From the Committee on Ways and Means, for consideration of title VII of the House bill, and sections 140E, 141 through 144, 271(b)(12), and 305 of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. ARCHER, Mr. VANDER JAGT, and Mr. CRANE.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 5, 121(a), 123, 124, 134 (a) and (b), 143, 184, 209, 322(m), 335, title V (insofar as it addresses railroads), sections 601(b), 608 through 610, 617, and 620 of the House bill, and sections 103(b) (1), (2), and (9), 106(a), 107, 113, 114, 115 (a)(2) and (d), 116, 117, 122(b), 127, 128, 131, 140G, 140T, 140U, 239, 261, 262, 319, and 336 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, Mr. SIKORSKI, Mr. LENT, and Mr. RITTER: *Provided*, That Mr. DANNEMEYER is appointed in place of Mr. RITTER for consideration of sections 123 and 124 of the House bill, and sections 103(b)(2), 106(a) (insofar as it addresses 23 U.S.C. 133(a)(10)), 107, 113, 114, and 319 of the Senate amendment.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 140I, 140N, part A of title II (except sections 204, 218, and 226), 264, and 271 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, Mr. SHARP, Mr. ECKART, Mr. TAUZIN, Mr. SLATTERY, Mr. BOUCHER, Mr. MANTON, Mr. BRUCE, Mr. HARRIS, Mr. SYNAR, Mr. LENT, Mr. MOORHEAD, Mr. RINALDO, Mr. DANNEMEYER, Mr. RITTER, Mr. FIELDS, and Mr. OXLEY.

As additional conferees from the Committee on Interior and Insular Affairs, for consideration of sections 125, 143, and 144 of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. VENTO, Mr. KOSTMAYER, Mr. LAGOMARSINO, and Mr. MARLENEE.

As additional conferees from the Committee on the Judiciary, for consideration of section 409 of the House bill, and section 238 and title IV of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. EDWARDS of California, Mr. FRANK of Massachusetts, Mr. FISH, and Mr. MOORHEAD.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of sections 5, 108, 317(b), 320, and 321 (a) and (e) of the House bill, and section 106(a) of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. HERTEL, Mr. DAVIS, and Mr. YOUNG of Alaska.

As additional conferees from the Committee on Science, Space, and Technology, for consideration of sections 141 (a) and (e), 202, 317, 405, 502, 601, 604 through 609, 616 through 618, 651 through 659, and 671 through 673 of the House bill, and sections 103(b) (9) and (10), 106(a), 107, 115, 116, 127(g), 136(b), 203(e), 204, 232(a), 329, and 341 of the Senate amendment, and modifications committed to conference: Mr. BROWN, Mr. VALENTINE, Mr. GLICKMAN, Mr. WALKER, and Mr. LEWIS of Florida.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3402. An act to amend the Public Health Service Act to revise and extend certain programs regarding health information, health promotion, and vaccine injury compensation; and

H.J. Res. 125. Joint resolution to designate the week beginning November 24, 1991, and the week beginning November 22, 1992, each as "National Family Caregivers Week."

ENROLLED JOINT RESOLUTIONS SIGNED

At 5:52 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 36. Joint resolution to designate the months of November 1991, and November 1992, as "National Alzheimer's Disease Month";

S.J. Res. 145. Joint resolution designating the week beginning November 10, 1991, as "National Women Veterans Recognition Week";

S.J. Res. 188. Joint resolution designating November 1991, as "National Red Ribbon Month"; and

H.J. Res. 175. Joint resolution to designate the weeks beginning December 1, 1991, and November 29, 1992, as "National Home Care Week."

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 125. Joint resolution to designate the week beginning November 24, 1991, and the week beginning November 22, 1992, each as "National Family Caregivers Week"; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 7, 1991, he had presented to the President of the United States the following enrolled bill:

S. 1848. An act to restore the authority of the Secretary of Education to make certain preliminary payments to local educational agencies, and for other purposes.

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-2123. A communication from the General Counsel of the Oversight Board and the Resolution Trust Corporation, transmitting, pursuant to law, a report of the audited financial statements of the Resolution Trust Corporation for December 31, 1990, and for the year then ended; to the Committee on Banking, Housing and Urban Affairs.

EC-2124. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation to distribute a portion of the Outer Continental Shelf natural gas and oil receipts to coastal States and coastal counties as impact assistance, and for other purposes; to the Committee on Energy and Natural Resources.

EC-2125. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the first-year preliminary report on the New York Bight Restoration Plan; to the Committee on Environment and Public Works.

EC-2126. A communication from the Chairman of the Board of Directors of the Farm Credit System Assistance Board, transmitting, pursuant to law, a report on October 31 the Farm Credit System Assistant Board's FY 1991 report; to the Committee on Governmental Affairs.

EC-2127. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation to amend chapter 57 of title 5, United States Code, to provide a system for setting the maximum mileage allowances for reimbursement to an employee for the use of privately owned vehicles while engaged on official Government business; to the Committee on Governmental Affairs.

EC-2128. A communication from the President of the James Madison Memorial Fellowship Foundation, transmitting, a draft of proposed legislation to eliminate the $10 million fund-raising requirement; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DECONCINI, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1095. A bill to amend title 38, United States Code, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services (Rept. No. 102–203).

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. D'AMATO:

S. 1927. A bill to authorize the Secretary of Agriculture to carry out a grant program to increase the international competitiveness of the forest products industries in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 1928. A bill to provide temporary duty-free treatment to 2,6-HNA; to the Committee on Finance.

By Mr. DECONCINI:

S. 1929. A bill to amend the Internal Revenue Code of 1986 to allow individuals to exclude certain amounts of interest from gross income; to the Committee on Finance.

By Mr. GORTON:

S. 1930. A bill to amend title 10, United States Code, to revise certain time limitations for the awarding of medals and other decorations, to revise the time limitation applicable to requests for corrections of military records, and for other purposes; to the Committee on Armed Services.

By Mr. STEVENS (for himself and Mr. LIEBERMAN):

S. 1931. A bill to authorize the Air Force Association to establish a memorial in the District of Columbia or its environs; to the Committee on Energy and Natural Resources.

By Mr. BUMPERS (for himself, Mr. BROWN, Mr. KERRY, Mr. SYMMS, Mr. DASCHLE, Mr. SEYMOUR, Mr. LIEBERMAN, Mr. KASTEN, Mr. WOFFORD, Mr. COATS, Mr. SANFORD, Mr. CRAIG, Mr. RIEGLE, Mr. BURNS, Mr. SASSER, Mr. COHEN, Mr. INOUYE, Mr. LOTT, Mr. BREAUX, Mr. DODD, Mr. KOHL, Mr. NUNN, Mr. BURDICK, Mr. GORE, Mr. PRYOR, Mr. CONRAD, Mr. GRAHAM, Mr. BRYAN, Mr. BAUCUS, Ms. MIKULSKI, Mr. SHELBY, Mr. FORD, Mr. BINGAMAN, Mr. HEFLIN, Mr. BOREN, Mr. ADAMS, Mr. DECONCINI, Mr. JOHNSTON, Mr. DIXON and Mr. SPECTER):

S. 1932. A bill to amend the Internal Revenue Code of 1986 to provide a capital gains tax differential for individual and corporate taxpayers who make high-risk, long-term, growth-oriented venture and seed capital investments in start-up and other small enterprises; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. ADAMS, Mr. BINGAMAN, Mr. DURENBERGER, Mrs. KASSEBAUM, Mr. KOHL, Ms. MIKULSKI, Mr. SIMON and Mr. HARKIN):

S. 1933. A bill to amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. STEVENS:

S. 1934. A bill to exclude deposits into a capital construction fund account under section 607(d) of the Merchant Marine Act from net earnings from self-employment; to the Committee on Finance.

By Mr. SIMPSON (for himself, Mr. WALLOP, Mr. BURNS, Mr. BAUCUS, Mr. GARN, Mr. HATCH, Mr. DOMENICI, Mr. CRAIG, and Mr. PRESSLER):

S. 1935. A bill to require the Secretary of Agriculture to submit a report on, and establish a system for, lamb price and supply reporting services in the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHAFEE (for himself, Mr. DOLE, Mr. MCCAIN, Mr. SPECTER, Mr. BOND, Mr. COHEN, Mr. DANFORTH, Mr. MURKOWSKI, Mr. GORTON, Mr. MCCONNELL, Mr. STEVENS, Mr. PRESSLER, Mr. SIMPSON, Mr. WALLOP, Mr. WARNER, Mr. MACK, Mr. DOMENICI, Mr. HATFIELD, Mr. D'AMATO, Mr. GRASSLEY, and Mr. KASTEN):

S. 1936. A bill to provide improved access to health care, and for other purposes; to the Committee on Finance.

By Mr. COATS:

S. 1937. A bill to provide for coverage of Congress under Federal civil rights and employment laws, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROBB (for himself and Mr. WARNER):

S. 1938. A bill to extend the time for submission of the final statement of community development block grant activities by Petersburg, Virginia; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEAHY:

S. 1939. A bill to amend title 5, United States Code, to amend the Freedom of Information Act, and for other purposes; to the Committee on the Judiciary.

By Mr. LEAHY (for himself and Mr. BROWN):

S. 1940. A bill to amend title 5, United States Code, to provide for public access to information in an electronic format, to amend the Freedom of Information Act, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. SIMPSON):

S. 1941. A bill to amend the Immigration and Nationality Act for the purpose of reforming procedures for the resettlement of refugees in the United States; to the Committee on the Judiciary.

By Mr. GLENN (for himself, Mr. LEVIN, Mr. PRYOR, Mr. SASSER, Mr. LIEBERMAN, Mr. AKAKA, Mr. METZENBAUM, Mr. DURENBERGER, Mr. CHAFEE):

S. 1942. A bill to provide for procedures for the review of Federal department and agency regulations, and for other purposes; to the Committee on Governmental Affairs.

By Mr. RIEGLE (for himself, Mr. DIXON, Mr. DODD, Mr. GRAHAM, Mr. WIRTH, and Mr. KERREY):

S. 1943. A bill to reform the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. HARKIN, Mr. PELL, and Mr. BINGAMAN):

S. 1944. A bill to amend the Public Health Service Act to strengthen the Nation's health promotion and disease prevention activities, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MITCHELL (for himself, Mr. BENTSEN, Mr. SASSER, Mr. SARBANES, Mr. RIEGLE, Mr. KENNEDY, Mr. DODD, Mr. ADAMS, and Mr. LEVIN):

S. 1945. A bill to provide a program of emergency unemployment compensation, and for other purposes.

By Mr. COATS:

S.J. Res. 227. A joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office for Members of Congress; to the Committee on the Judiciary.

By Mr. D'AMATO:

S.J. Res. 228. A joint resolution to designate the week beginning February 23, 1992, as "National Manufacturing Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COATS:

S. Res. 215. A resolution to amend the Standing Rules of the Senate to require that any pay increase for Members be considered as freestanding legislation and held at the desk for at least 7 calendar days prior to consideration by the Senate; to the Committee on Rules and Administration.

By Mr. D'AMATO (for himself and Mr. PRESSLER):

S. Res. 216. A resolution expressing the sense of the Senate regarding the recognition of, and establishment of diplomatic relations with, Croatia, Slovenia, Bosnia-Hercegovina, Kosova, and Macedonia; to the Committee on Foreign Relations.

By Mr. GORE (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BINGAMAN, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. DASCHLE, Mr. DODD, Mr. INOUYE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. SIMON, Mr. WELLSTONE and Mr. WIRTH):

S. Res. 217. A resolution urging the Administrator of the Environmental Protection Agency to accelerate the scheduled phaseout of ozone-destroying substances in the United States as required pursuant to the Clean Air Act Amendments of 1990; calling on the President to urge the Contracting Parties to the Montreal Protocol to modify the Protocol in order to accelerate the phaseout of such substances; and for other purposes based on scientific findings concerning the degradation of the stratospheric ozone layer; to the Committee on Environment and Public Works.

By Mr. REID (for himself and Mr. BRYAN):

S. Con. Res. 75. A concurrent resolution expressing the sense of the Congress that the President should award the Presidential Unit Citation to the crew of the U.S.S. Nevada for their heroism and gallantry during the attack on Pearl Harbor on December 7, 1941; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 1927. A bill to authorize the Secretary of Agriculture to carry out a grant program to increase the international competitiveness of the forest products industries in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

WOOD PRODUCTS EXPORT ACT

• Mr. D'AMATO. Mr. President, I rise to introduce the Wood Products Export

Act of 1991. This legislation will provide forest product companies with production and marketing assistance that will help them compete globally.

The bill establishes funding for up to six centers at graduate degree-granting universities located in the principal forestry regions of the United States. Their mission is to stimulate value-added manufacturing and marketing of products from U.S. forests to increase their competitiveness in world markets.

The U.S. forest products industry is already an important part of the economy comprising about 5 percent of the gross national product. This legislation helps strengthen that industry by developing new forest product uses and assisting the private sector to effectively compete in the world market. The legislation creates urgently needed rural employment that will benefit rural businesses and communties.

The centers' tasks will be to promote domestic and international forest and trade policies in a way that increase economic benefits while still improving the global environment.

Activities of the centers will include the establishing of communications links with forest products manufacturing concerns and the centers. It will promote the education, research and technology transfer of marketing and manufacturing technologies, including the study of linkages and impacts between trade and environmental policy.

I urge my colleagues to support this legislation to help the United States to be both aggressively competitive and environmentally responsible in the critical area of forest products exports.

Mr. President, I ask unanimous consent that the text of this bill be printed in its entirety at the conclusion of my remarks.

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

S. 1927

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 "Wood Products Export Act of 1991".

SEC. 2. FINDINGS.

Congress finds that—

(1) the forest products industries of the United States comprise approximately 5 percent of the gross national product;

(2) these forest products industries are often located in rural areas of the United States where employment opportunities are otherwise limited;

(3) the employment base and tax base of rural America needs to be expanded, especially in nonfarming areas where forest products industries are typically located;

(4) in many cases, an increase in the productivity of lumber and other primary manufacturing operations has not increased employment opportunities in these operations;

(5) while consumers in the United States benefit from the importation of wood products from Canada, the United States must as a consequence remain aggressively competitive in exports to avoid a substantial trade deficit;

(6) in order to prevent the decline of rural economies in the United States, the forest products industries must achieve more stable sourcing, increased value-added manufacturing, and customization of wood products, especially for export markets;

(7) in some cases, unprocessed timber is exported from the United States only to be processed overseas and made into products, such as furniture, which are then imported into the United States;

(8) national and international trade policies affect not only world economies, but also have substantially different effects on the environment in each country, with some policies resulting in substantial negative environmental effects;

(9) both national and the developing global environmental policies cause substantial shifts in environmental effects from one region to another through trade linkages, frequently offsetting the objectives of single-issue policies while having substantial negative economic effects as well;

(10) a substantial amount of research on the manufacturing and marketing of forest products and their substitutes and on the effects of forest resource and forest product use on the environment has been amassed by the United States Forest Service, universities, corporations, and certain government, university, and private research laboratories in other countries;

(11) application of this research regarding the manufacturing and marketing of forest products and their substitutes and the environmental effects of the products will increase the competitiveness of forest products industries in the United States in international markets while contributing to improvements in the global environment;

(12) universities and colleges have the expertise to transfer appropriate existing and new knowledge to manufacturing and marketing forest products industries to assist them in increasing their competitiveness;

(13) universities and colleges, because they are not directly associated with commercial forest production or forest products manufacturing and marketing, are especially well suited to the design and analysis of country and regionally specific domestic and international forest, forest sector, agroforestry, development, economic, and trade policy;

(14) universities and colleges, because of this neutrality, are especially suited to provide policy alternatives that can contribute to global environmental gains with fewer negative economic effects;

(15) the international forest products trade development efforts of State colleges and universities and of the Federal Government will be more effective if there is close coordination between the efforts; and

(16) forestry schools are especially vital in the training of research workers and international trade experts in the forest products industries.

SEC. 3. GRANTS FOR INTERNATIONAL FOREST PRODUCTS TRADE DEVELOPMENT CENTERS.

(a) IN GENERAL.—In order to increase the competitiveness of the forest products industries of the United States in international markets, the Secretary of Agriculture shall make grants for the establishment, expansion, and operation in the United States of a network of cooperating international forest products trade development centers at colleges and universities offering graduate training in forestry.

(b) ACTIVITIES OF CENTERS.—An international forest products trade development center assisted by a grant made under this section may use the funds provided by the grant to—

(1) establish communications links with forest products manufacturing concerns within the areas of influence of the center, concentrating especially on small- and medium-sized companies;

(2) promote education and technology transfer of marketing and manufacturing technologies to companies and organizations within the area of influence of the center;

(3) develop educational programs that enhance the abilities of industry to compete globally;

(4) conduct research in those areas that would promote trade in forest products and establish quality products especially for export trade;

(5) conduct research and education on the linkages and impacts between trade and environmental policy, developing policies more conducive to environmental improvement with less negative economic impacts;

(6) collaborate to establish a permanent data base to address the problems faced by potential exporters, including language barriers, foreign codes and standards, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and international marketing data;

(7) develop temporary or permanent exhibits that will—

(A) stimulate and educate trade delegations from foreign nations with respect to forest products produced in the United States; and

(B) be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving the products;

(8) stimulate technology transfer and research by the centers by stressing cooperation and communication between centers;

(9) expand technology transfer globally and inform United States industry of improved production techniques developed by foreign firms;

(10) stimulate foreign trade in forest products through cooperation with existing Federal and industry trade programs dealing with expanding markets for domestically produced wood products;

(11) perform such additional education, research, and technology transfer as necessary to meet the objectives of the centers; and

(12) carry out such other activities relating to the exportation of forest products as the Secretary of Agriculture may approve.

(c) SELECTION OF GRANT RECIPIENTS.—

(1) IN GENERAL.—In making grants under this section, the Secretary of Agriculture shall provide for a network of not more than six cooperating international forest products trade development centers that are strategically located to serve the needs of the various regions of the forest products industries, including (to the extent practicable) consortia comprised of the universities or colleges of more than one State within a region.

(2) REGIONS.—The regions in which a center shall be established or an existing center supported shall include at least the Pacific northwest, the north central States, the northeast, the central Appalachian region, and the Gulf States.

(3) CENTERS.—The network shall include at least—

(A) the Appalachian Export Center for Hardwoods located at West Virginia University in Morgantown, West Virginia;

(B) the Center for International Trade in Forest Products located at the University of Washington in Seattle, Washington;

(C) the Gulf States Forest Products International Trade Development Center, which is a consortium consisting of Auburn University in Auburn, Alabama, the University of Alabama in Tuscaloosa, Alabama, the Louisiana State University in Baton Rouge, Louisiana, the Mississippi State University in Mississippi State, Mississippi, and the University of Arkansas in Monticello, Arkansas; and

(D) the International Forest Products Trade Institute located at the State University of New York College of Environmental Science and Forestry in Syracuse, New York.

(e) ADMINISTRATION.—

(1) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as the Secretary considers necessary to carry out this section.

(2) PLANS.—Funds under a grant made under this section shall be provided in accordance with plans that are agreed on by the Secretary and the international forest products trade development centers.

(3) ASSISTANCE.—The Secretary may furnish the centers with such additional advice and assistance through the Cooperative State Research Service as will best promote the purposes of the centers.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section for a fiscal year an amount equal to at least ¼ of the amount appropriated for the preceding fiscal year for Federal forest products and harvesting research conducted directly by the Department of Agriculture.●

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 1928. A bill to provide temporary duty-free treatment to 2,6-HNA; to the Committee on Finance.

TEMPORARY DUTY-FREE TREATMENT

● Mr. BRADLEY. Mr. President, I rise to reintroduce legislation to extend the duty suspension on 6-hydroxy-2-naphthoic acid (also known as 2,6-HNA). Joining me is my friend and colleague Senator LAUTENBERG. We introduced the identical bill in the 101st CONGRESS.

Germany is the sole producer of 2,6-HNA. Hoechst Celanese of Bridgewater, NJ, imports the chemical in order to produce Vectra resins. Initially Vectra resins were utilized uniquely for tire reinforcements. More recently a wider field of applications for Vectra resins such as electronics, fiber optics, consumer products, and aircraft have been explored. The impact of the burgeoning Vectra resins business will provide New Jersey and other parts of the United States a number of job and economic opportunities.

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

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

S. 1928

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

SECTION 1. 2,6-HNA.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12 16-hydroxy-2 napthoic acid (2,6-HNA) (provided for in subheading 2918.29.50)	Free	No change	No change	On or before 12/31/94".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act 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.●

By Mr. DECONCINI:

S. 1929. A bill to amend the Internal Revenue Code of 1986 to allow individuals to exclude certain amounts of interest from gross income; to the Committee on Finance.

EXCLUSION OF CERTAIN INTEREST FROM GROSS INCOME

● Mr. DECONCINI. Mr. President, today I am introducing a bill that attempts to stem the rapid decline in this Nation's savings rate. My proposal would allow tax-free earnings on savings interest of $2,500 a year for single filers and $5,000 for couples filing jointly. I would like to emphasize that this would only cover deposits in federally insured institutions.

Mr. President, the Census Bureau tells us that heads of households in this country between the ages of 45 and 54 have, on average, less than $16,000 in an interest bearing account. With health care an extravagant luxury for a growing number, and with housing, taxes, and the cost of family necessities on the rise, we all know how far $16,000 will go.

Net national savings in this country has plummeted 80 percent in the last 40 years. I need not remind my colleagues that as the savings rate has fallen, Americans have acquired debt at record levels. We have the lowest per capita savings rate in the industrialized world.

The Japanese save at a rate of almost two times that of their counterparts in the United States. The Germans save at a rate of 1½ times ours. What is wrong with this picture? What is wrong with this Nation, going from the world's bankers to a world class debtor?

Older Americans will remember what a similar situation led to not so very long ago—the Great Depression.

We must take the lead here, today. The other side of the aisle would tell you that the real answer is another tax break for the wealthy. Middle Town, U.S.A., is justifiably angry over those assertions. Most of the last decade we have all experienced what can only be referred to as "golden trough" economics. If you could afford a golden trough, you were able to gorge yourself; if not, you were out of luck. We now know that the trickle-down theory has led us into recession. I am proposing an alternative theory, one in which the savings of all Americans will catapult this economy into growth.

In 5 to 10 years, who will be going to college and how will they be able to pay for it? Who will be buying cars or homes? This body must send the message that if we are to have a secure economic future, personal savings must increase. A commitment to increased national savings is our future.

My colleagues and I have been told by our constituents that one of the worst mistakes Congress ever made was the elimination of individual retirement accounts for everyone. I have supported legislation by Senator BENTSEN to correct that situation. My bill goes a step further and encourages all savings for all purposes by making interest earned on savings, up to $2,500 for an individual, $5,000 for a couple filing jointly, tax exempt.

Mr. President, I ask unanimous consent that the text of my bill be included in the RECORD. I ask my colleagues to join me in cosponsoring this approach to dampening the recession and promoting prosperity.

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

S. 1929

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

SECTION 1. PARTIAL EXCLUSION OF INTEREST RECEIVED BY INDIVIDUALS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF QUALIFIED INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include qualified interest received during the taxable year by an individual.

"(b) LIMITATION.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $2,500 ($5,000 in the case of a joint return filed under section 6013).

"(c) DEFINITION AND SPECIAL RULES.—

"(1) QUALIFIED INTEREST.—For purposes of this section the term 'qualified interest' means amounts (whether or not designated as interest) paid, in respect of deposits, investment certificates, or withdrawable or repurchase shares, by—

"(A) an insured depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c)), or

"(B) an insured credit union (as defined in section 101 of the Federal Credit Union Act, 12 U.S.C. 1752).

"(2) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to distributions by—

"(A) regulated investment companies to the extent provided in section 854(c), and

"(B) real estate investment trusts to the extent provided in section 857(c).

"(3) DISTRIBUTIONS BY A TRUST.—For purposes of subsection (a), the amount of qualified interest properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same date that the qualified interest was received by the estate or trust.

"(4) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of interest which is effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b)."

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of qualified interest received by individuals"

(2) Section 265(a)(2) of such Code is amended by inserting before the end period the following: "or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 of such Code is amended by adding at the end thereof the following new sentence:

"The proportionate share of each participant in the amount of interest received by the common trust fund and in which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 of such Code is amended by inserting after paragraph (6) the following new paragraph:

"(7) INTEREST.—There shall be included the amount of any interest excluded from gross income pursuant to section 116."

(5) Section 854 of such Code is amended by adding at the end thereof the following new subsection:

"(c) TREATMENT UNDER SECTION 116.—

"(1) IN GENERAL.—For purposes of section 116, in the case of a dividend (other than a dividend described in subsection (a)) received from a regulated investment company which meets the requirements of section 852 for the taxable year in which it paid the dividend, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate qualified interest bears to gross income shall be treated as qualified interest. For purposes of the preceding sentence, gross income and aggregate qualified interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate qualified interest received for the taxable year.

"(2) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as qualified interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) The term 'gross income' does not include gain from the sale or other disposition of stock or securities.

"(B) The term 'aggregate qualified interest received' includes only interest described in section 116(c)(1)."

(6) Subsection (c) of section 857 of such Code is amended to read as follows:

"(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) IN GENERAL.—For purposes of section 116 (relating to partial exclusion of qualified interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) TREATMENT AS INTEREST.—In the case of a dividend (other than a capital gain dividend, as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part for the taxable year in which it paid the dividend, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate qualified interest received bears to gross income shall be treated as qualified interest.

"(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE QUALIFIED INTEREST RECEIVED.—For purposes of paragraph (2)—

"(A) gross income does not include the net capital gain,

"(B) gross income and aggregate qualified interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate qualified interest received for the taxable year, and

"(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

"(4) AGGREGATE QUALIFIED INTEREST RECEIVED.—The purposes of this subsection, the term 'aggregate qualified interest received' means only interest described in section 116(c)(1).

"(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as qualified interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received in taxable years beginning after December 31, 1991.●

By Mr. GORTON:

S. 1930. A bill to amend title 10, United States Code, to revise certain time limitations for the awarding of medals and other decorations, to revise the time limitation applicable to requests for corrections of military records, and for other purposes; to the Committee on Armed Services.

MILITARY AWARDS LEGISLATION

Mr. GORTON. Mr. President, men and women who serve in the armed forces are, for this Senator, heroes of the highest order. They have often risked and all-too-frequently sacrificed their lives on the battlefield for their fellow soldiers and for the principles for which this Nation stands. To those who display exceptional acts of bravery and valor, we give special recognition in the form of military awards and decorations. These awards constitute a small thank you for what these soldiers have done for this country.

Yet, many awards are denied to deserving soldiers, not because of their misconduct or lack of support from their superior officers. No, Mr. President, awards are denied because the military simply refuses to process the paperwork for nominations made more than 5 years after an heroic act took place.

The reverse is true as well. If a military award has been presented but not indicated on a soldier's service record, the military simply will not correct the record if the request is made more than 3 years after the mistake was detected.

I became aware of these two shortcomings in the military's administrative regulations and laws because two constituents who came to me for help.

Cpl. Wong Suey Lee is a decorated veteran of the Korean war, and was awarded the Purple Heart and the Combat Infantry Badge. In 1989, Corporal Lee was recommended by his former battalion commander for the Silver Star for acts of bravery and heroism during heavy combat in June 1951. In letters of recommendation, both his battalion commander and company commander stated their belief that Corporal Lee's acting company commander on June 3, 1951 fully intended to submit promptly the award recommendation but inadvertently failed to do so because of other pressing needs caused by the heavy casualties suffered during a military offensive.

The Army refused to process the recommendation because it was entered into military channels more than 5 years after the act of heroism. A number of letters from Members of Congress, including a letter signed by this Senator and four of his colleagues, were sent requesting that the Army consider the recommendation on its merits. The Army flatly refused, saying that "equity and fairness dictate that we refrain from waiving the time limits on a case-by-case basis."

I was dismayed to find that similar provisions apply in all four military branches, and that countless others like Corporal Lee, are being told that because of technical, administrative oversights they cannot be officially rewarded for serving their Nation.

The time limit is even shorter for correcting one's military service record. Recently, for instance, I received a request from a veteran who was honorably discharged, wounded during the Battle of the Bulge, and taken prisoner in World War II. On December 17, 1944, during the Battle of the Bulge at Hosingen, Luxembourg, Leonard H. Grady was wounded while acting as an assistant tank driver. On December 24, 1944, the POW train transporting Leonard Grady was

bombed. Fortunately, Leonard Grady survived.

Leonard Grady was awarded the Purple Heart Medal in 1946, but due to unattended legal work, the award was not recorded on his service record. He was unaware of this oversight until 1985, and has since attempted, unsuccessfully, to amend his military record to reflect the award. The Army Board of Correction of Military Records responded by stating, and I quote, "it was not in the interest of justice to excuse your failure to timely file," and that further consideration was inappropriate.

It is unjust, Mr. President, to deny Mr. Grady the simple opportunity to amend his service records to reflect the sacrifices he made while serving his country. It is unreasonable to refuse Corporal Lee the Silver Star Medal which he earned and was nominated for in 1951. And, finally, it is unfair to forbid other veterans, who are in similar predicaments, from receiving awards to which they are entitled. I think most Senators will agree, that these are not outrageous or radical requests, and that their consideration is only a small token of our appreciation for the sacrifices endured while defending America.

I believe it is never too late to recognize the contributions of anyone who has sacrificed or risked his or her life to protect and promote democracy. We build monuments in honor of those who have worked for the betterment of society, for the survival of civil rights, and for the pursuit of freedom, happiness and justice. The Silver Star award, the Purple Heart, as well as other medals for outstanding performance, are physically small, yet significant monuments for the veterans who served America. We cannot, of course, construct individual monuments for every veteran who served his country. We can, however, express our appreciation by giving veterans the awards they deserve, regardless of whether it is 10, 20 or even 50 years after serving their Nation.

Mr. President, today I introduce legislation which will remedy a grave injustice done to our Nation's veterans. This legislation will abolish the 5-year time limit currently applied to the awarding of military awards and decorations. This will give veterans the opportunity to retrieve an award he or she is entitled to, provided sufficient information to prove entitlement to the award, but did not officially receive due to administrative oversights, and legal roadblocks. Secondly, this legislation will waive the 3-year time limitation for correcting one's military service records to reflect the receipt of medals or decorations. Finally, this legislation will permit the military to award and/or receive nominations for medals and decorations, and correct military service records up to 2 years after the death of a veteran.

Mr. President, it saddens me to think that hundreds or thousands of veterans may have been robbed of the medals and decorations that they earned. By waiving these unfair and insensitive regulations for the awarding of military medals, we will undo an injustice inflicted on the thousands of veterans who fought to preserve America.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 1930

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

SECTION 1. REPEAL OF TIME LIMITATIONS FOR AWARDING MEDALS AND DECORATIONS.

(a) ARMY.—Section 3744 of title 10, United States Code, is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) No medal of honor, distinguished-service cross, distinguished-service medal, or device in place thereof may be awarded to a person unless—

"(1) statements setting forth the distinguished service of the person and recommending official recognition of such service is made not later than two years after the death of the person; and

"(2) it appears from records of the Department of the Army that the person is entitled to the award."; and

(2) by striking out subsection (d).

(b) NAVY AND MARINE CORPS.—(1) Section 6248 of title 10, United States Code, is amended to read as follows:

"6248. Limitations

"No medal of honor, Navy cross, distinguished-service medal, silver star medal, Navy and Marine Corps Medal, or bar, emblem, or insignia in place thereof may be awarded to a person unless—

"(1) statements setting forth the distinguished service of the person and recommending official recognition of such service is made not later than two years after the death of the person; and

"(2) it appears from records of the Department of the Navy that the person is entitled to the award.".

(2) The table of sections at the beginning of chapter 567 of such title is amended by striking out the item relating to section 6248 and inserting in lieu thereof the following:

"6248. Limitations.".

(c) AIR FORCE.—Section 8744 of title 10, United States Code, is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) No medal of honor, Air Force cross, distinguished-service medal, or device in place thereof may be awarded to a person unless—

"(1) statements setting forth the distinguished service of the person and recommending official recognition of such service is made not later than two years after the death of the person; and

"(2) it appears from records of the Department of the Air Force that the person is entitled to the award."; and

(2) by striking out subsection (d).

(d) ADMINISTRATIVE LIMITATIONS.—The policy set out in paragraphs (1) and (2) of section 3744(b) of title 10, United States Code, section 6248 of such title, and paragraphs (1) and (2) of section 8744(b) of such title, as such provisions were in effect on the day before the date of the enactment of this Act, may not be applied administratively to the awarding of any medal or other decoration for the recognition of the service of any person as a member of the Armed Forces of the United States or the recognition of any act of a person while serving as a member of the Armed Forces.

(e) APPLICABILITY.—The amendments made by subsections (a) through (c) shall apply with respect to a recommendation for the award of a medal or other decoration that is made after December 31, 1988, and shall apply without regard to the date of the act or service justifying the award.

SEC. 2. REVISION OF TIME LIMITATION RELATING TO THE CORRECTION OF MILITARY RECORDS.

(a) REVISION OF TIME LIMITATION.—Subsection (b) of section 1552 of title 10, United States Code, is amended to read as follows:

"(b) No correction may be made under subsection (a)(1) unless—

"(1) the claimant or his heir or legal representative files a request for the correction;

"(2) the request is filed not later than two years after the date of death of the claimant; and

"(3) a board established under subsection (a)(1) may excuse a failure to timely file, after it finds it to be in the interest of justice.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to a request for the correction of a military record that is made after the date of the enactment of this Act.

By Mr. STEVENS (for himself and Mr. LIEBERMAN):

S. 1931. A bill to authorize the Air Force Association to establish a memorial in the District of Columbia or its environs; to the Committee on Energy and Natural Resources.

ESTABLISHMENT OF THE AIR FORCE MEMORIAL

Mr. STEVENS. Mr. President, the U.S. Air Force was established as a separate service in 1947. Since that time, the Air Force has distinguished itself in times of peace and war, from the Berlin airlift to its stunning success in Desert Storm.

The 50th anniversary of the founding of the Air Force will be 1997. Today, I am introducing a bill to authorize the erection of a memorial to the Air Force and the extraordinary men and women who have served their country so well within this extraordinary institution. If a memorial is to be completed in time for the 50th anniversary celebration, Congress must start the process now.

An Air Force memorial will not cost any public money. Funds will be raised privately and my bill expressly prohibits taxpayer funding for the memorial. The process for the establishment of a memorial must be in accordance with all existing standards for erecting such works as laid out in 40 U.S.C. 1001.

I urge my colleagues to join me in assisting in the establishment of a suitable monument to a remarkable institution that has so nobly served our Nation.

By Mr. BUMPERS (for himself, Mr. BROWN, Mr. KERRY, Mr. SYMMS, Mr. DASCHLE, Mr. SEYMOUR, Mr. LIEBERMAN, Mr. KASTEN, Mr. WOFFORD, Mr. COATS, Mr. SANFORD, Mr. CRAIG, Mr. RIEGLE, Mr. BURNS, Mr. SASSER, Mr. COHEN, Mr. INOUYE, Mr. LOTT, Mr. BREAUX, Mr. DODD, Mr. KOHL, Mr. NUNN, Mr. BURDICK, Mr. GORE, Mr. PRYOR, Mr. CONRAD, Mr. GRAHAM, Mr. BRYAN, Mr. BAUCUS, Ms. MIKULSKI, Mr. SHELBY, Mr. FORD, Mr. BINGAMAN, Mr. HEFLIN, Mr. BOREN, Mr. ADAMS, Mr. DECONCINI, Mr. JOHNSTON, Mr. DIXON, and Mr. SPECTER):

S. 1932. A bill to amend the Internal Revenue Code of 1986 to provide a capital gains tax differential for individual and corporate taxpayers who make high-risk, long-term, growth-oriented venture and seed capital investments in start-up and other small enterprises; to the Committee on Finance.

ENTERPRISE CAPITAL FORMATION ACT OF 1991

• Mr. BUMPERS. Mr. President, today I am proud to introduce the Enterprise Capital Formation Act. This legislation provides a capital investment tax incentive that challenges Americans to make high-risk, long-term, growth-oriented investments in the enterprises that will lead Americans into the 21st century.

LEARNING THE LESSONS

The legislation I am introducing learns all the lessons from the partisan and ideological debate in the 101st Congress on the President's proposal for an across-the-board cut in capital gains taxes.

First, we learned last year that the impact of a capital gains investment incentive on Government revenue is the critical issue here in the Congress.

It is no coincidence that the 1981 supply-side tax cut—a tax cut that President Reagan claimed would pay for itself—was associated with a dramatic increase in Government budget deficits. In fact, it is clear to me that the 1981 tax cut—along with a doubling of defense spending—was the major cause of these deficits.

So, the Congress is justifiably cautious when we hear that another supply-side tax cut, this one for capital investments, is going to raise Government revenue.

My proposed investment incentive is not premised on the supply-side claim that it will magically pay for itself. I have never believed the supply side claims that income tax or capital gains tax cuts—or any other tax cut—will pay for themselves. Back in 1981 I warned that the supply-side cut in income taxes would generate deficits that would choke a mule. Unfortunately, that warning proved to be an understatement. I have not changed my position on this issue just because I am introducing my own proposal to cut taxes.

I acknowledge that the investment incentive I am proposing today does lose revenue and I will insist that this revenue loss be financed on a pay-as-you-go basis under last year's budget reconciliation law.

I am well aware that those of us who support tax incentives for savings and investment cannot claim that we have increased savings if we run up the public deficit—Government dissavings—to pay for it. This is a zero sum game with the increase in private savings canceled out by the decrease in public savings. The key issue is whether we have increased public and private savings on a net basis.

I have obtained a revenue estimate from the Joint Committee on Taxation and I do not dispute its finding that the incentive I am proposing loses $900 million in Government revenue over a 5-year period.

But, I want to emphasize that this revenue loss is small enough that we do not need to raise the tax rates on ordinary income or to impose a surcharge on wealthy taxpayers to pay for it. I also want to emphasize that this revenue loss estimate pales in comparison to the estimate of the Joint Committee with regard to the capital gains proposal advocated by the President during the budget summit negotiations last year, which would have lost $11.4 billion over 5 years. This revenue loss was for a capital gains bill that only applied to individual taxpayers. If the bill also applied to corporate taxpayers—as does my bill—the revenue loss would have been approximnately 30 percent greater. This huge revenue loss is what led to the demand that it be financed with an increase in tax rates or a surcharge on millionaires.

I have not proposed a way to finance the tax cut I am proposing, but, given the amount of revenue involved, it can be financed in the context of a medium-sized tax bill with the closing of a few tax loopholes. The Joint Committee on Taxation has estimated that the tax code will grant $2.132 trillion in tax expenditures over the next 5 years.

Last year's budget reconciliation bill contained provisions that lost $27.4 billion in Government revenue over a 5-year period. It contained $164.5 billion in tax increases. It contained four separate provisions that lost more than $900 million over 5 years and 19 separate provisions that raised more than $900 million. The 1989 budget reconciliation bill contained $7.7 billion in revenue losing provisions and $32.2 billion in revenue raising provisions, including 9 provisions that raised more than $900 million. The 1988 tax bill contained $4.2 billion in revenue losing provisions and the same amount of revenue raising provisions. The 1987 tax bill had $38.2 billion in revenue raising provisions and the 1986 tax reform bill contained $121.9 billion in revenue raising provisions.

So, it's clear that we can raise the $900 million in revenue we need to finance this bill. I will work with the Senate Finance Committee to identify one or more tax increases sufficient to raise the $900 million we need.

So, the revenue issue that killed the President's proposal last year will not kill this proposal.

Second, we learned last year that the fairness is the other key to consideration of an investment incentive in the Congress.

My legislation does not provide an underserved, retroactive tax windfall for wealthy investors for the sale of investments that were made long before it goes into effect. The bill only applies to new investments made in response to the new incentive.

This legislation rewards investors and entrepreneurs who are willing to take risks and invest for long term economic growth, not short-term income. It calls on them to change their portfolio strategy and does not simply reward investors for doing exactly what they are already doing without any capital gains tax incentive for doing so.

This legislation does confer tax advantages on wealthy taxpayers who act as outside investors and provide capital to entrepreneurs who need it. Any cut in capital gains taxes provides benefits to those who have capital to invest. The Joint Committee has told me, however, that it is unable to give me an estimate of the tax benefits that would be conferred on different taxpayers in different income ranges by my proposal. It's simply too targeted and the data is not available to complete the estimate.

Let me emphasize that the legislation also provides tax benefits to individual entrepreneurs who start new businesses and build their value with their own savings and sweat equity. Any entrepreneur can benefit even if he or she does not have any capital to start with and builds up the value of a business with sweat equity and brainpower.

So, the business issue that helped to kill the President's proposal last year will not kill this proposal.

Third, we learned last year that we must focus on investment incentives that are necessary to help America meet the intense competition we face in the international marketplace.

This incentive is directly related to the America's competitiveness challenge. It only applies only to high-risk, long-term, growth-oriented investments in businesses that will create the technology and jobs of tomorrow and that will help the United States compete in international markets. It provides no incentive for any other kind of investment.

This legislation provides an incentive for investors who put capital directly into the hands of entrepreneurs, not for simply trading these investments on

the secondary market. This incentive is a capital formation incentive in the literal sense.

This legislation seeks to reinvigorate the venture capital industry and to create a new seed capital industry that is as large or larger. This legislation is indispensable to the renaissance of America and its property in the international marketplace.

This is legislation that looks to the future, both in terms of the politics of the Congress and the Nation and in terms of its emphasis on investments that are critical to help America compete in international trade.

So, the competitiveness issue that helped to kill the President's proposal last year will not kill this proposal.

Finally, the fourth lesson we have learned from last year is that we will not enact a capital formation incentive if it becomes a partisan and ideological battle between Republicans and Democrats.

I am a Democrat and I first introduced my venture capital bill in 1987 [S. 931], before then-Vice President Bush proposed cutting capital gains taxes. I reintroduced my venture capital bill in 1989, S. 348, with strong support among Senate Democrats, and introduced my seed capital bill, S. 2798 in 1990. Congressman PETER HOAGLAND, another Democrat, was the lead sponsor for my venture capital bill in the other body.

The media has always billed the capital gains debate as one in which Republicans and Democrats were fighting and it never reported that there were 12 Democrats in the Senate who supported my venture capital gains proposal in the last Congress, one of the proposals that is incorporated in the bill I am introducing today.

It is true, however, that many Democrats opposed the President's proposal for an across-the-board cut in capital gains taxes. This opposition was decisive. We have divided Government. Democrats in the Congress argued forcefully in the last Congress that the President's proposal lost huge amounts of revenue, provided an unfair windfall for wealthy taxpayers, and was not sufficiently related to the competitiveness of America. These were honest and well substantiated criticisms of the President's proposal and they carried the day in the Congress.

So, one crucial difference with this proposal is that it is supported by a large number of Senate Democrats.

But, the support for the bill I am introducing today is truly bipartisan. I am delighted that I am joined by a distinguished and bipartisan group of cosponsors for the legislation: Senators BROWN, KERRY, SYMMS, DASCHLE, SEYMOUR, LIEBERMAN, KASTEN, WOFFORD, COATS, SANFORD, CRAIG, RIEGLE, BURNS, SASSER, COHEN, INOUYE, LOTT, BREAUX, DODD, KOHL, NUNN, BURDICK, GORE, PRYOR, CONRAD, GRAHAM, BRYAN, BAUCUS, MIKULSKI, SHELBY, FORD, BINGAMAN, HEFLIN, BOREN, ADAMS, DECONCINI, JOHNSTON, and DIXON. This means that this bill will not be killed by the partisanship that proved so divisive in the last Congress.

RHETORIC VERSUS REALITY

Most of the rhetoric we hear from those who favor restoring a capital gains differential focuses on risk-takers, small, growth companies, entrepreneurs and inventors, and competitiveness.

We hear endless stories about the brilliant entrepreneur who borrows money using his own home as collateral, who starts a computer company in his garage, who develops a technology that all the Fortune 500 companies have ignored, and who becomes a mega-millionaire when his company finally goes public.

However, restoring an across-the-board capital gains differential for nearly every type of investment transaction has very little to do with this rhetoric. Most of the benefits of a broad-based capital gains differential go to transactions that have nothing to do with the brilliant entrepreneur attempting to start a company in Silicon Valley or on Route 128.

According to one detailed analysis, an across-the-board cut in capital gains tax rates mostly provides tax benefits to "sectors other than new businesses." (James Poterba, "Venture Capital and Capital Gains Taxation," in "Tax Policy and the Economy," 1989.) This conclusion is based on the fact that less than "one-quarter of realized (capital) gains reflects appreciation of common stock, and venture capital activity is only a small share of this equity component." (Id. at 63.) The pool of venture capital funds under management is "less than 1 percent of the value of U.S. equity markets." (Id.)

The flow of initial public offerings [IPO's] of new firms suggests that "the venture IPO's accounted for 0.5 percent and 0.65 percent, respectively (for 1985 and 1986), of realized (captial) gains." (Id. at 65.) "These statistics illustrate the basic fact that a subsidy to all appreciating assets, such as an across-the-board reduction in capital gains rates, largely benefits nonventure capital assets." (Id.) Such an across-the-board cut in capital gains tax rates is a "relatively blunt device for encouraging venture investments." Id. at 48.)

By way of contrast, the venture and seed capital formation bill provide a tax incentive that is specifically targeted to form capital for entrepreneurs and inventors struggling to grow small startup businesses. These are working capital investments that can create jobs, new technologies, and new markets. The seed capital formation and venture capital gains bills match the capital gains rhetoric with the targeted provisions of the legislation.

I am not saying that no other types of investments should be covered by a capital gains tax incentive. I come from a State where timber is an important industry and strong arguments can be made for extending some type of a capital incentive to other, less risky classes of investments.

In terms of priorities, an incentive for venture and seed capital formation should form the core of any capital gains considered by the Congress. These forms of direct investments are the paradigm for investments that are high-risk, long-term, and growth-oriented.

When one sets priorities, it is clear that there are different types of investments, there are different degrees of risk, there are different capital formation barriers, and there are differently taxed investors. We need to match an analysis of the need for a capital formation incentive with the provisions of an incentive that meets that need to offset the risk that is associated with the investment.

In short, the capital gains issue is one that involves balancing and choices, not one that is simply a question of one's support for or opposition to a general concept. The venture and seed capital formation bill set priorities that match the capital gains rhetoric with the targeted provisions of the bills.

I ask unanimous consent that a memorandum outlining the terms of the legislation be inserted in the RECORD.

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

LEGISLATIVE ANALYSIS OF ENTERPRISE CAPITAL FORMATION ACT

The following memorandum describes the terms and conditions of the Enterprise Capital Formation Act.

A. ELIGIBLE INVESTMENTS AND INCENTIVES PROVIDED

The Enterprise Capital Formation Act provides a capital investment incentive for venture and seed capital investments by providing a deduction for gains on such investments.

Venture capital investments are defined as investments in the stock of a small business venture with $100 million or less in paid-in capital. Seed capital investments are defined as investments in the stock of a small business venture with $5 million or less in paid-in capital. These thresholds are indexed for inflation, which ensures that this legislation will continue to provide an incentive for venture and seed capital investments in the future.

The thresholds are set by reference to three forms of capital provided to the company—money, other property, and services received by the corporation for stock, as a contribution to capital, and as paid-in surplus—and the sum of the accumulated earnings and profits of the corporation. The sum of these figures must not exceed the thresholds in the bill.

If property is contributed to the corporation in exchange for stock, the value of the stock for purposes of the thresholds is the adjusted basis of such property for determining gain, reduced (but not below zero) by any

liability to which the property was subject or which was assumed by the corporation. If services are contributed to the corporation in exchange for stock, the amount taken into account shall be the value of the services.

Incentive stock options under Section 422 of the tax code are granted to employees of start-up and other small firms in lieu of compensation. Many such businesses begin with an idea and very little capital to carry the idea from research and development to product or process. To preserve capital for research and development in a start-up firm, the entrepreneurial employees of the business sacrifice all or a large portion of their compensation to invest in the development of an idea with hopes of producing a new product or process. In many cases, the risks are great and the awards are received only when the product or process is successful, which may be many years in the future.

The entrepreneurial employees who accept incentive stock options in lieu of compensation incur substantial risks and have no guarantee of benefits for many years in the future. Due to receiving reduced compensation, the employees are not able to fund the exercise of the incentive stock option until the product or process is close to completion.

Except in the case of certain tax free transfers outlined below stock in another corporation may not be exchanged for the stock in a qualified corporation. In short, stock is not considered to be "property" that may be exchanged to purchase the stock of a qualified corporation. All other types of property do qualify as contributions.

In a case where a corporation is issuing a second or other subsequent round of stock, the amounts received by the corporation in the new issuance and all prior issuances shall be aggregated to determine if the threshold has been reached.

The determination of whether the thresholds have been exceeded is met immediately after the stock is issued.

If the contributions to the corporation do not exceed the $100 million or $5 million thresholds, the stock qualifies for the special tax deduction provided in the legislation.

A corporation can issue more than one round of equity financing as long as the aggregate amounts received by the corporation do not exceed these thresholds.

There may be cases where a corporation issues stock that takes it up to and over the threshold. To the extent the stock that is issued does not cause the corporation to exceed the applicable threshold, it qualifies for the tax incentive provided for in this legislation. The corporation would need to keep track of the paid-in capital and the stock that was issued before and after the threshold had been reached to determine which stock qualified for the incentive and which did not.

This is the approach already taken in the tax code for stock issued under Section 1244, which concerns stock issued by small corporations with one million dollars or less in paid-in capital. The corporation that issues the stock will be required to keep some records of which stock is qualified stock and which stock is not so that the taxpayers and the I.R.S. will know what tax rules apply when the taxpayer realizes gains or losses on the stock.

The legislation counts the accumulated earnings and profits of the corporation in determining whether it has met the $100 and $5 million thresholds to ensure that large corporations with very little outstanding stock do not qualify when they do issue stock. There are some companies that are quite large but which have little or no outstanding stock. This would include some large corporations that have gone private in leveraged buyouts. These large corporations have significant amounts of accumulated earnings and profits—retained earnings—and are not small corporations in any sense of the word. By including the accumulated earnings and profits of a corporation in determining whether it has met the $100 and $5 million thresholds, we ensure that the legislation applies only to truly small corporations.

During the drafting of this bill some have argued that the $5 million threshold for seed capital investments is too low and some have argued that it is too high. Similar arguments have been made with respect to the $100 million threshold for venture capital investments.

This threshold for seed capital investments is high enough so it may include some of the companies that undertake public offerings of stock, but mostly it will apply to non-public, private placement stock offerings. This non-public market is a much larger potential capital market than the public securities market.

The threshold for venture capital investments will cover many, but not all, companies when they go public to secure their equity financing. It will not cover many companies whose stock is traded on the New York Stock Exchange and other exchanges.

There is no magic, bright line that distinguishes between seed and venture capital investments. The sponsors of the legislation are open to evidence and arguments on the issue of where to draw this line. The sponsors believe that we need to draw some line in order to make sure that the seed and venture capital incentives serve to create a new seed capital industry and reinvigorate the venture capital industry and do not simply reward investors for taking the risks—often, the high risks—that they are now willing to take with only a minimal capital gains incentive.

One key issue in setting the threshold for the two types of investments is the revenue impact. In 1989 the Joint Committee on Taxation ruled that Senator Bumpers' venture capital incentive—with a $100 million paid-in capital threshold—would lose $218 million in revenue over a five year period. It ruled that his seed capital incentive—with a $5 million paid-in capital threshold—would loss $590 million over a five year period. This higher revenue loss estimate for the seed capital proposal arises from its 100% tax exemption for seed capital investments held for ten or more years.

The Joint Committee on Taxation has ruled that the legislation introduced today—with the incentives for both seed and venture capital incentives—would lose $900 million over five years. If the venture capital paid-in capital threshold was lowered to $50 million and the seed capital threshold remains at $5 million, the Joint Committee has found that it would lose $700 million over five years. Similarly, if the venture capital threshold were kept at $100 million and the seed capital incentive were raised to $10 million, the Joint Committee finds that the bill would lose $1.3 billion over five years.

Given these different choices on the threshold, we have determined that it is important to cover more companies and to use the $100 million threshold because this means we will cover some of the most important companies, the ones with the greatest potential for economic growth.

A $50 million threshold is simply not high enough to cover the equity capital needs of some companies that need to set up very expensive, high-technology production lines. This is true, for example, of some sophisticated biotechnology companies. The more technology that is involved, the more equity capital is needed. We do not want to exclude those companies that are taking the risk to set up a state-of-the-art manufacturing facility for a break-through technology that might revolutionize the marketplace.

We can cover the high-flyers, the I.B.M.'s of tomorrow, if we set the threshold at $100 million in paid-in capital. We would be penny-wise and pound-foolish to set the threshold at $50 million. The seed capital threshold of $5 million is high enough to provide help to most start-up companies. Any company that raises its first $5 million in capital under the seed capital threshold is free to raise its next $95 million under the venture capital threshold, so this reduces the need to raise the $5 million seed capital threshold.

The revenue estimate for a $100 million venture capital threshold and a $5 million seed capital threshold is high, $900 million in revenue losses over 5 years. But, even with the large government deficits, this is a manageable figure. It is expensive, but it is a small fraction of the revenue loss—using the Joint Committee's estimates—for an across-the-board cut in capital gains taxes.

It is feasible because we can raise this much revenue without raising the tax rates of wealthy taxpayers or by imposing a surtax or surcharge on millionaires. The President made it quite clear that he will not agree to another increase in the tax rates of upper-income taxpayers, so the only capital gains incentive that can be considered is one where there is no need to raise income tax rates or impose a surcharge to pay for it.

Another point of reference is the $50 million threshold that was set by the Bush Administration in the "small business growth" provision it insisted be included in the Budget Summit Agreement last September. That Agreement provided in Section B.4 that taxpayers who purchased the stock of a "qualified small corporation" when the stock is issued by the corporation would qualify for a 25% deduction up to $50,000.

This deduction was available when the stock was purchased rather than when any gains on the stock are realized, so it greatly reduced the incentive of taxpayers to invest in stocks that would, in fact, generate gains. In addition, by providing the incentive to any purchasers of stock at the time of the purchase, the proposal was estimated to generate a huge loss in revenue, $7.3 billion over five years. For these reasons, the proposal was widely criticized, and it was rejected.

The $50 million threshold, however, represented the judgment of the Administration about the size of the companies that face the greatest capital formation challenge and the companies that we need to assist with enactment of an investment tax incentive. The $100 million threshold in this bill is more generous than the Administration threshold and it still costs a small fraction as much in revenue—according to the Joint Committee.

Let us make it clear that the proposal we are introducing today provides an incentive for venture and seed capital investments if the taxpayer generates gains. Investors in seed capital stock also receive some tax benefits if their investments generate losses. But, in the case of gains the stock must be held for at least five years and the resulting revenue loss is a fraction of that estimated to result from the Administration's proposal—again, according to the Joint Committee.

B. HOLDING PERIOD AND DEDUCTION FOR ELIGIBLE INVESTMENTS

The purpose of the legislation is to encourage investors to put patient capital in the hands of entrepreneurs. The legislation provides tax benefits only for investments that are held for a substantial period of time. This long holding period will reduce the pressure on the entrepreneur to show an immediate profit to distribute to the investor. Investors who hold their investments in a small business venture for a substantial period of time are taking a very great risk, and that is why the tax incentive provided in this legislation will be so effective and is so appropriate.

To be eligible for any capital gains tax preference a venture or seed capital investment must be held for a minimum of five years. This is the minimum holding period under the legislation for any tax benefits for either a venture or seed capital investment.

The holding period for stock issued as an incentive stock option runs from the date the stock option is granted, not the date it is exercised This makes incentive stock options even more attractive and reduces the pressure on the corporation to raise outside investor capital. The same holding period rule applies to options or warrants or the conversion of debt instruments. The holding period shall run during the time such option, warrant or debt was held.

In cases where securities of the corporation are exchanged in a transaction described in section 368 of the tax code the holding period during the time such securities were outstanding.

At the end of this five year minimum holding period, if a taxpayer realizes a gain on a venture or seed capital investment, the taxpayer is entitled to a 50% deduction on the amount of the net gain. This means that the taxpayer will pay tax on a maximum of 50% of the net gain. The special capital gains deduction allowed by this bill will not be subject to the 2% and 3% limitations imposed on itemized deductions by Section 67 and 68 of the Tax Code.

The tax code currently has three tax brackets, 15%, 28% and 31%, but the capital gains tax rate is capped at 28%. This means that with a 50% exclusion the maximum tax rate on a venture or seed capital investment is 7.5% for taxpayers in the 15% tax bracket and 14% for taxpayers in the 28% tax bracket. For taxpayers in the 31% bracket, the legislation provides that this 50% deduction operates against this 28% capital gains cap, not against the 31% bracket, and that the capital gains tax rate for taxpayers in the 31% bracket is 14%.

These tax rates for venture and seed capital investments are for individual taxpayers, but the same scheme applies to corporate taxpayers. For corporate taxpayers the deduction is also 50% so the maximum capital gain for corporations with net venture and seed capital gains is 17%, half the 34% maximum rate that applies to corporations. Because some corporations are in a special recapture bracket, and, therefore incur liability for tax at a marginal tax rate higher than 34%, the legislation provides that this 50% deduction operates against the 34% bracket and that the maximum capital gains tax rate for corporate taxpayers is 17%.

For taxpayers with venture capital investments, the 50% deduction is the maximum tax incentive they will receive. The investor receives no additional deduction if he or she holds the investment for six, seven, eight, nine, ten or more years. The taxpayer still has a powerful incentive to hold the investment if it is appreciating in value, but the taxpayer will receive no more tax benefits for holding the investment for a period of time extending beyond five years.

For seed capital investments, however, the 50% deduction is the minimum tax benefit. It is available for seed capital assets held for more than five years but less than six years. If the investor holds that seed capital investment for six or more years, the investor receives an additional 10% deduction for each additional year he or she holds the investment until the taxpayer is entitled to a 100% deduction for an investment held for ten or more years. So, if the investor holds the investment for more than six but less than seven years, he or she can take a 60% deduction. If the investor holds the investment for more than eight years but less than nine years, he or she can take an 80% deduction. When the investor holds the seed capital investment for ten or more years, his or her gains on the investment are tax exempt.

These additional deductions for long term seed capital investments are justified because the seed capital investments are the most risky, long-term, and strategic investments that can be made. The purpose of this legislation is to encourage investments in small, early stage companies and to create a whole new seed capital industry, and this potential 100% deduction should have precisely this effect.

An investment cannot qualify for both the venture and seed capital incentives. The issue only arises if a seed capital investment is held for more than six years and in that case the investor will pay the least capital gains tax that is due and take the largest deduction available to him or her. No taxpayer is permitted to take both a 60% seed capital deduction and a 50% venture capital deduction.

The tax deduction available under this legislation applies to the lesser of the taxpayer's net capital gains or his net capital gains from qualified investments. Under the current law regarding capital gains, a taxpayer is permitted to net out his capital gains and losses. If a taxpayer has $100 in capital gains and $50 in capital losses, the taxpayer is permitted to net the $50 in capital losses against his capital gains, leaving the taxpayer with a $50 net capital gain upon which he must pay tax.

Under the legislation, the taxpayer may have two different types of net capital gains, some on qualified small business stock and some on other non-qualified capital investments. In that case the legislation provides that the taxpayer must net out his gains and losses on qualified investments and his gains and losses on non-qualified investments separately. the benefits of the legislation would apply to the next gains from qualified investments. If the taxpayer had net losses from non-qualified investments, this would reduce the net gains on qualified investments entitled to those benefits. This is what is called an ordering rule. The qualified small business capital gains deduction is limited to the lesser of the net capital gain on qualified investments and the net capital gain on qualified and non-qualified investments.

Structuring the federal incentive as a capital gains deduction will further increase the incentive's effect because investors in many states will become entitled to increased capital gains deductions available under state law.

C. INVESTMENTS COVERED

The legislation focuses on the riskiest type of investments, the direct purchase of the stock issued by a start-up or other small corporation.

Stock was only one of the many types of capital assets covered by the capital gains incentive available before the preference was repealed in the 1986 Tax Reform legislation. Under the old law, a capital asset included essentially all property except for property held for sale to customers (inventory), accounts or notes receivable, and copyrights. Corporate stock accounted for the most capital gains realizations, followed by the sale of personal residences, the sale of nonbusiness real estate, depreciable business property, partnership distributions, and prior-year installment sales.

The distinguishing characteristic of corporations is that they issue stock and the shareholders who own the stock own the corporation. There are approximately 3.6 million corporations in America. These corporations generated 9.6 trillion dollars in receipts, had 15.3 trillion dollars in assets, and paid $118 billion in Federal income taxes. Corporations account for the majority of the gross national product. Approximately one million corporations are organized as S corporations, which are generally small corporations with not more than 35 shareholders (either individuals or certain trusts for individuals) that elect to be taxed at the shareholder level.

The legislation provides a tax incentive for the purchase of all types of stock issued by corporations, including common stock, straight preferred stock, participating preferred stock, or convertible preferred stock. Venture capital investors frequently take some or all of their investments in the form of convertible or participating preferred stock. The incentive is available for stock issued by C corporations and S corporations.

As mentioned above the legislation also covers stock that is acquired pursuant to exercise of a stock option or warrant, or pursuant to conversion of a convertible debt instrument. In this case under the legislation the stock that is acquired is treated as issued on the date of the grant of the option or warrant, or issuance of the debt, and the amount contributed to the company is considered to be the amount paid upon exercise of the option, or in the case of convertible debt, the adjusted principal amount of the debt at the time of the conversion.

The legislation only covers options and warrants if they were issued in exchange for the performance of services for the corporation issuing it and if they are not transferred to any third party.

Corporations can issue stock to the individuals who found the corporation, individuals who work for the corporation, outside investors who buy the stock in private transactions, and outside investors who buy the stock when it is offered for sale in the public, regulated securities market.

The incentive is available only for direct purchases of the stock from the company. It does not apply to a purchase of the stock on a secondary market from another investor. These stock purchases on the secondary market do not inject new capital into the corporation for the use of the corporation in meeting its expenses. The legislation applies only to capital formation for the corporation and to individuals who put capital into the hands of entrepreneurs for use in their business.

The sponsors of the legislation have some concern that this limitation to the first purchaser of the qualified stock may make it more difficult for some corporations to set the price for an initial public offering of

stock. When a company goes public and issues stock to the public capital markets for the first time, it is difficult for the corporation to set the offering price for the stock. The initial investors are equally unsure of the appropriate market price for the stock. Typically the price for the stock is quite unstable in the first few days after it is offered as the market sets the market price for the stock through a rapid series of stock trades. This process is the market at work.

If only the first purchaser of the stock qualifies for the tax incentive, this might inhibit the market process for setting the market price for the stock. So, the sponsors are researching whether it makes sense to permit the owner of the stock on the second or third day after it is issued to qualify for the incentive. Any such rule would, in itself, affect the market and we need to determine if this is a reasonable standard. Any such amendment to the bill would have some revenue impact, so that is another issue to be considered.

The stock of the corporation may be acquired by a third party in a tax-free or other transfer of the stock from the qualified corporation to another party. Such acquisitions or transfers are extremely common in the entrepreneurial community. The legislation provides that the transferee is considered to have acquired the stock in the same manner as the transferor and is considered to have acquired the stock directly from the corporation. The holding period for this stock runs from the date the transfer acquired it, not the date it is acquired or transferred.

The tax-free transfers that are covered here are any transfer by gift, at death, or when the basis of the property in the hands of the transferee is determined by reference to the basis of the property in the hands of the transferor by reason of section 334(b), 723, or 732 of the tax code. The legislation also applies to stock received in an incorporation or reorganization covered by Section 351 or 368 of the Code in exchange for qualified stock.

The incentive in the legislation applies to stock that is acquired through the exercise of an option or warrant, through the conversion of convertible debt, or as payment for debt of the corporation. Any stock acquired in this way shall be treated as acquired by the taxpayer at original issue as long as the stock is acquired from a small business that has not exceeded the paid-in capital thresholds with the issuance of such stock. When such stock is acquired it shall be treated as having been held during the period such option, warrant, or debt was held, or such loan was outstanding. In the case of a debt instrument converted to stock, or stock issued to repay a loan, such stock shall be treated as issued for an amount equal to the sum of the principal amount of the debt or loan as of the time of the conversion or repayment and accrued but unpaid interest on such debt or loan.

The bill provides that if stock is issued in a series of new companies (perhaps subsidiaries of a larger corporation) the stock issued in these new companies does not qualify for the incentive if the stock is issued by the corporation under section 351 for property (other than qualified stock) if both the recipient of the stock and the issuer of the stock are members of the same controlled group of corporations within the meaning of section 1563 immediately after the transfer. This prevents a corporation from simply dividing itself up into smaller pieces in order to qualify for the incentive.

Even without this explicit limitation, there is a strong reason why a corporation would not set up a series of new and independent companies by shareholders other than itself. Under current law a corporation is permitted to file a consolidated tax return for itself and all of its subsidiaries as long as it retains at least 80% ownership of the subsidiaries. A consolidated tax return permits the corporation to take the losses of one subsidiary against the gains of another subsidiary, it avoids any tax on the dividends paid by the subsidiary to the corporation, and it defers the income on any sales between the subsidiary and the corporation. These considerable advantages are lost if the corporation spins off a series of separate, small corporations.

But, it is perfectly appropriate under current law and under the legislation for a subsidiary of a corporation to issue stock to the public. When subsidiaries issue stock, this is capital formation and it is consistent with the purposes of the bill. If subsidiaries issue stock the legislation provides that one must look at the value of the stock of the subsidiary already owned by the corporation and the new stock to be issued by the subsidiary to see if it exceeds the paid-in capital limits.

In terms of issuing stock in a subsidiary, a corporation is permitted under current law to issue "minority" stock of up to 20% of the ownership in a subsidiary and still file a consolidated return. And, this stock could qualify for the incentive if it (taken with the stock already owned by the corporation) does not exceed the paid-in capital limit.

Again, however, there are strong economic reasons why a corporation would not issue minority stock in a subsidiary. Minority shareholders in a subsidiary have endless opportunities to question transactions between the subsidiary and the corporation. As shareholders they have standing to sue the corporation over these transactions. For example, the minority shareholders might question whether the subsidiary was paid enough for some good it sold to the corporation.

Of course, a corporation can issue new stock in a subsidiary and it can buy the stock with money, property, or as compensation for services. The new stock in the new subsidiary would qualify as long as the total capital paid into the subsidiary by the parent corporation does not exceed the limit in the bill. The corporation would gain a capital gains tax preference if it eventually sells the stock in the subsidiary at a gain. The bill applies to investments made by corporate taxpayers.

This is consistent with the purposes of the bill, which is to encourage investors, including corporations, to take risk and seek gains on investments in corporate stock. We want corporations to make these investments. It is not important whether these investments are made in wholly owned subsidiaries or in totally independent companies. Both subsidiaries and independent companies need capital to grow and they both can generate the new technology, new markets and new jobs we all need for America to compete in international markets.

In addition, many high risk companies, including biotechnology companies, are creating spin off companies to raise the capital necessary to finance new research and development projects. The founding company will transfer its patent rights or proprietary technology to the new company, plus warrants for the parent company's stock. The new company will agree to contract with the founder company to perform the new company's research and development on that product.

The new company will then sell "units" to raise the funds necessary to develop the new product. Units generally consist of one share of the new company's stock, plus an option to buy one share of the founder company's stock at a later date for a specified price.

Capital gains on these units therefore consist of two components: gains on the new company stock and gains from exercising the option on founder company stock. Each of these gains should be evaluated independently for purposes of this legislation. If the new company is a qualified small business but the founder company is not, then only the gain on the new company stock qualifies for preferential capital gains treatment. If both companies are qualified small businesses, then both new company and founder company capital gains qualify.

The bill is flexible enough to accommodate innovative capital formation plans such as this and it is my intention that the Internal Revenue Service will not seek innovative ways to disqualify these stock offerings from the capital gains treatment offered in this legislation.

D. TAXPAYERS COVERED

The legislation provides a tax incentive for both individuals and corporations. It is just as important to encourage corporations to become venture and seed capital investors as it is to encourage individuals to do the same.

The legislation covers personal service corporations as defined in section 269A(b)(1) of the code, which covers a corporation the principal activity of which is the performance of personal services which are substantially performed by employees who own, directly or by attribution, on any day during the taxable year, more than 10% of the outstanding stock. This includes a management consulting company, a software programming company, a computer payroll service company, a computer or aeronautical design company and many other companies. If such a company wants to raise additional capital through issuance of stock, it should be covered by the legislation to the same extent as any manufacturing corporation should be covered. When these companies issued stock, a corporation that has been closely held ceases to be closely held, so its outside investors are and should be covered.

E. VENTURE AND SEED CAPITAL PARTNERSHIPS

The tax incentives for venture and seed capital equity financing must reflect the manner in which the marketplace for such financing actually operates, including the widespread use of venture and seed capital partnerships to assemble pools of equity capital. These partnerships constitute an important conduit and organizer for venture and seed capital investments.

In addition, the legislation provides that the incentive is available to investments in the shares of a publicly traded partnership that is taxed as a corporation under Section 7704 of the Internal Revenue Code.

When we adopt this legislation it is important that we take care of an anomaly in the tax code that affects venture capital partnerships formed as investment companies rather than operating companies.

F. TRANSFERS OF STOCK OWNERSHIP

The legislation provides that the tax incentive applies to qualified small business stock acquired by the taxpayer at its original issue (directly or through an underwriter). But, there are many cases in the business world where stock is transferred by a taxpayer to another taxpayer on a tax-free basis and the legislation makes clear that that would be the same with respect to the transfer of qualified small business stock.

When a tax-free transfer takes place the transferee shall be treated as having ac-

quired the stock in the same manner as the transferor, that is acquired at its original issue, and has having been held during the continuous period immediately preceding the transfer during which it was held (or treated as held) by the transfor. This ensures that the stock still qualifies for the tax incentive, both the deduction and tax losses, and that the holding period is not broken.

If the taxpayer who acquired the stock sells the stock in some other transaction that is not covered by these provisions of the bill, that taxpayer will realize gains and pay his or her capital gains tax.

G. ALTERNATIVE MINIMUM TAX

The tax incentives provided by this legislation are valuable and some taxpayers may use them to substantially reduce their tax liability. The tax code now includes an alternative minimum tax which is designed to ensure that taxpayers do not reduce their tax liability below a certain level. This level is now set at 24% for individual taxpayers.

It can certainly be argued that application of the minimum tax to venture and seed capital investments substantially diminishes the attractiveness of the proposed incentive to certain, high-income investors. The legislation sets a compromise, applying the minimum tax to venture capital investments but not to seed capital investments.

It is clear that very few low and middle income taxpayers will be able to take the risk associated with venture and seed capital investments, particularly the latter. In order to encourage seed capital investments and create a seed capital industry, we will need to rely on the investments of upper income taxpayers, who have the capital, who can afford to wait for a return on their investments, and who can afford the risk. Wealthy individuals are extremely sensitive to the minimum tax issue and it is this reason why seed capital investments are exempt from the minimum tax.

The public is extremely senstive to the widespread impression that wealthy individuals are not paying their fair share in taxes. Indeed, it is these stories that led to the enactment of the Tax Reform legislation and the inclusion of a stiff minimum tax to ensure that all wealthy taxpayers and profitable corporations pay at least some Federal income tax.

Not applying the minimum tax only to seed capital investments is appropriate given the great risk associated with these investments and it will, in effect, call on wealthy individuals and profitable corporations to take the lead in creating the industries and technologies of tomorrow.

A related change to the alternative minimum tax will be necessary. We need to permit the deduction of certain investment expenses for AMT purposes in order to avoid taxing income from venture capital investments on a gross rather than a net basis. Under current law individuals making venture capital investments become minimum taxpayers based on the gross income from their venture capital investments. The impact of this rule is particularly egregious in the case of individuals who are partners in venture capital partnerships that invest in the stock of start-up and other small enterprises. This rule should be changed when the Enterprise Capital Formation Act is adopted.

H. TREATMENT OF TAX LOSSES

The current tax law permits taxpayers to deduct up to $3,000 in net capital losses in each tax year. But, the likelihood that a taxpayer will incur losses on seed capital investments is very high. So, the legislation cushions investors if they have losses on these seed capital investments.

Section 1244 of the tax code already provides that the tax losses on direct equity investments in small business ventures may be deducted against the taxpayer's ordinary income, rather than netted against gains on other capital investments. Section 1244 was added to the tax code as an amendment to the 1958 tax bill and it defines a small business venture as one with one million or less in paid-in capital.

The purpose of Section 1244 was to encourage the growth of seed capital for start-up small businesses. That remains the purpose of Section 1244, but its effectiveness has been undermined because the one million dollar paid-in capital threshold has not been adjusted for inflation since the legislation was enacted.

The legislation introduced today revises this one million threshold upward to $5 million and indexes it for inflation. The $5 million threshold is the same threshold this legislation sets for the tax benefits for gains on seed capital investments.

Under Section 1244 investors who buy stock from a qualifying company and who lose money on the investment are permitted to deduct the loss as an ordinary loss rather than as a capital loss. This means that the taxpayer "nets" his Section 1244 losses on seed capital investments against ordinary income, rather than against the taxpayer's capital gains. Section 1244 permits the taxpayer to use his losses on qualified small business stock as deductions against ordinary income in determining the adjusted gross income of the taxpayer. This means that a taxpayer does not need to have capital gains to use his Section 1244 losses and the $3,000 annual limit on using capital loss deductions to offset ordinary income does not apply.

There is a limit on the amount of Section 1244 losses that can be deducted, $50,000 per individual taxpayer and $100,000 for couples filing a joint return. This limitation is retained in this legislation.

A small business corporation issuing Section 1244 stock must be a company that has derived 50% or more of its aggregate gross receipts for the previous five years from sources other than royalties, dividends, interests, annuities, and sales or exchanges of stocks, or securities. This focuses the current incentive on small businesses that create jobs, not those primarily formed for financial purposes. This limitation is retained in the seed capital formation bill.

I. ACTIVE TRADE OR BUSINESS

The stock purchased by the investor qualifies for the tax incentives provided by the legislation if the corporation that issued the stock is engaged in the active conduct of a trade or business and substantially all of the assets of the corporation are used in the active conduct of a trade or business. This "active trade or business" requirement applies for the five-year period after the stock has been acquired.

The purpose of the active trade or business requirement is to prevent use of the venture and seed capital incentive for abusive tax shelter purposes. This requirement is the same approach taken in Section 1244 of the tax code regarding investments in small business stock.

Typically a start-up venture will remain dormant while financing and business plans are completed. It then issues stock and incurs start-up expenses within the meaning of Section 195(a)(1) of the tax code and, after a period of time in this start-up phase, it begins to sell products and generate gross income. It is, therefore, essential to include start-up period in determining whether the corporations satisfies the active trade or business requirement.

The legislation also provides that investment assets held to provide funds for research and development and working capital will be treated as active business funds. Many venture companies, including particularly biotechnology companies, hold the preponderance of their assets in cash and cash equivalents to fund research and their early development. This is perfectly legitimate and investors who fund this research through the purchase of stock should qualify for the investment incentive.

Thus, under this bill, a company is treated as active trade or business when it is incurring start-up expenses under Section 195 of the Internal Revenue Code, research and development expenses covered by Section 174, or it it meets the active trade or business requirement of Section 41(b)(4).

Frequently it is desirable to use a holding company structure and to have separate subsidiaries for operations in different states or in foreign countries. If the qualified small corporation must itself satisfy the active trade or business test, the definition would not include such a holding company. The legislation provides that a corporation shall be deemed to conduct any trade or business that it conducts indirectly through a corporation controlled by it and to own its ratable share of the subsidiary's assets and to conduct its ratable share of the subsidiary's activities.

To avoid any abuse the bill provides that not more than 10% of the value of the gross assets of the company may be stock of corporations which are not subsidiaries of such corporation and that not more than 10% of the value of the gross assets of the company may consist of real estate held for investment or rental to third parties rather than for the active conduct of a trade or business.

J. EFFECTIVE DATE AND APPLICATION TO CURRENT HOLDINGS

The legislation applies to stock issued after December 31, 1991. If the legislation is not enacted into law by that date, the effective date for it should be set after the legislation is enacted. In short, the legislation would not and should not apply to stock issued before it is enacted.

In addition the legislation does not apply to stock that is acquired by a taxpayer at its original issue if it is issued directly or indirectly in redemption of (or otherwise exchanged for) stock that was not issued before the effective date of this legislation.

For this purpose, it is intended that if shareholders of an old corporation form a new corporation which buys the stock or assets of the old corporation, the stock of the new corporation will be treated as exchanged for the stock of the old corporation and would not qualify.

If the shareholders in the new company are the same shareholders as in the old company, then the purchase by the new company of the stock in the old company would constitute an indirect redemption of, or exchange for, the stock in the old company. This would mean that the stock issued in the new company would not qualify for the tax incentive provided by the bill.

This is an indirect redemption because there is no capital formation involved if a current shareholder, in effect, sells his stock to himself. The stock in the new company is indistinguishable from the stock in the old

company. It has the same value, it covers the same assets, and there are the same number of other shareholders. The "new" company is not new or different in any respect. There is no change, no risk taking, no additional capital for the business, and no change in ownership. It's a sham transaction and nothing is different except perhaps for the name of the "new" company.

This point is clear in the bill. The bill includes an explicit provision that stock will not be treated as received at original issue if it is issued under Section 351 for property (other than qualified stock) if both the recipient of the stock and the issuer of the stock are members of the same controlled group of corporations within the meaning of Section 1563 immediately after the transfer.

It is quite different, however, when the shareholders of the old company are not shareholders in the new company. The legislation does not require that the new company use the proceeds of its stock sale to create an entirely new enterprise. A company can use the proceeds of a stock sale, in whole or in part, to buy an existing business or existing assets, to hire additional employees, to buy a patent or license for a product, to pay for additional research or any other purpose.

The government should not be in the business of regulating how a business chooses to expand, what it creates or purchases, or other fundamental business decisions. The purpose of the legislation is to form the capital that will make these activities possible and to trust that the marketplace will determine the best use for the capital that has been formed.

It would be very difficult to define what constitutes a "new" business. Nearly every business goes through many different stages in its growth and it may issue stock at any or all of these stages. It is rare for a company to be totally, entirely "new." A company is almost always building on the value created by some preexisting entity, often itself.

The bill permits a company to issue several rounds of stock as long as the aggregate paid-in capital does not exceed the limits set in the bill and any company that is issuing its second round of stock is, by definition, not a new business. The business that has the potential to grow must issue stock at several stages of its growth and this is exactly the kind of business we need to cover with this investment incentive.

The bill is not retroactive, but it does provide that a taxpayer may "mark-to-market" a current investment that would, but for the date of its acquisition, qualify for the venture and seed capital incentives contained in the legislation. This means that the taxpayer would voluntarily realize the gains on this investment, pay his capital gains tax under the current capital gains tax rates, and then that stock would qualify for the venture and seed capital incentives in this legislation when it is actually sold. The holding period for this stock would run from the date it was acquired, not the date it is marked-to-market. This procedure permits a taxpayer to avoid selling his small business stock on the public market, paying brokerage commissions, and then repurchasing the same stock. It also gives the taxpayer credit for the time period in which he has already held the stock. This is particularly important for seed capital stock, where the maximum benefits are realized after the stock has been held for ten years.

It has been suggested that this mark-to-market provision be modified so that the taxpayer could defer payment of the tax that is due. Some taxpayers would want to take advantage of the mark-to-market provision but would not have the cash with which to pay the tax. There are some issues that would arise with such a deferred payment, for example, whether it would be possible for the taxpayer to avoid ever paying the tax, but this is an issue that should be considered.●

● Mr. BROWN. Mr. President, today Senator BUMPERS and I are introducing the Enterprise Capital Formation Act of 1991. The purpose of this bill is to encourage long-term investment in small businesses. I join 25 Democratic Senate colleagues and 20 Democratic House colleagues to provide investment incentives for long-term investments in new ventures. This bill has also been endorsed by the National Venture Capital Association, the American Electronics Association, and the Industrial Biotechnology Association.

America needs incentives to encourage entrepreneurship, employment, growth, and competitiveness. The incentives provided in this bill are key if the United States is to preserve a competitive edge over other nations. Small business has the hardest time raising capital and provides the most new jobs. If we are to remain competitive America must have a competitive tax system.

The Enterprise Capital Formation Act [ECFA] would provide that the first $5 million raised by the company be treated as seed capital and the first $100 million be treated as venture capital. Seed and venture capital gains earned after a 5-year holding period would be eligible for a 50-percent exclusion. Seed capital investments would be entitled to an additional 10-percent exclusion for each year beyond the 5 years. These apply to both individuals and corporations.

The bill also includes antiabuse provisions to ensure only new stock is covered. Specifically, the language prohibits companies from reissuing old stock as new, divvying up larger companies into smaller companies that could then issue qualified stock and setting up shell corporations as a tax shelter.

The Joint Committee on Taxation [JCT] has calculated that, in a static environment assuming no change in investor behavior, this bill will lose Federal revenue over the course of 5 years. I believe, however, that these incentives will result in a change in investment behavior and increase Federal revenue.

The United States needs long-term, growth-oriented investment incentives to rejuvenate our sluggish economy and create initial capital necessary for new businesses and jobs. Congress can best help by providing incentives where we need them most—in over 5 million small and mid-sized businesses that were responsible for over half of the new jobs created since 1980.●

● Mr. KASTEN. Mr. President, the legislation introduced by the distinguished chairman of the Senate Small Business Committee represents a watershed moment in the economic growth debate: A majority of Senators on the other side of the aisle now accept the premise that lower tax rates boost incentives to save and invest and thereby promote economic growth. This is an important step away from the class warfare rhetoric that has dominated the capital gains debate to date.

This bill provides tax incentives to individuals and corporations who make seed capital investments in emerging growth firms. In fact, it eliminates the capital gains tax altogether for venture capitalists who hold the stock in a small business for more than 10 years. These new small businesses will, in turn, create jobs and opportunity for our workers.

Let me say at the outset that I continue to support across-the-board capital gains tax relief for all taxpayers, all income groups, and all investors. In fact, yesterday I introduced a new tax incentive plan called the Economic Growth and Family Tax Relief Act of 1991 which provides profamily and progrowth incentives including a 15-percent indexed capital gains tax for all assets, all taxpayers, and all income groups, with a 7.5-percent tax rate for lower- and middle-income taxpayers.

I would say to my colleagues who have cosponsored this targeted approach to apply the same line of reasoning for an across-the-board tax cut: If we reduce the capital gains tax for venture capital investors, why not reduce it for homeowners, for landowners, for farmers, for retirees who want to cash in their nest egg, for middle-class families who want to sell their mutual fund investments to put their kids through college, and for investors and minority entrepreneurs in America's blighted innercities?

An across-the-board tax cut is not only fair, but economically superior to a targeted approach in that it increases mobility of capital, allowing investment funds to flow to their most efficient uses.

With the introduction of this bipartisan bill, I think it is time to stop the demagoguery about capital gains benefitting the rich at the expense of the poor and middle class. A capital gains tax cut will promote small business formation and economic growth and in the process it will create jobs for all income groups.

Let me say that I welcome the support of my Democratic colleagues for capital gains reform. I've been fighting for capital gains tax cuts since the 1986 Tax Reform Act raised capital gains taxes. I have authored several capital gains reduction bills—and cosponsored almost every major piece of capital gains legislation introduced by both Democrats and Republicans.

In summary, I believe that the Kasten-Mack 15-percent indexed capital gains bill is better for the U.S. economy than the Enterprise Capital Formation Act. But it is my view that the Bumpers proposal can serve as an important first step in enacting this year a significant capital gains tax cut.

Our economy desperately needs some kind of capital gains incentive. I am hopeful that the Enterprise Capital Formation Act will move the process of enacting capital gains reform forward in a bipartisan manner. And I am hopeful that we can use this proposal as a basis for a broader compromise that will benefit farmers, middle-income savers and investors, and retired seniors as well as venture capitalists.●

● Mr. GRAHAM. Mr. President, I am delighted to join Senator BUMPERS in the introduction of the Enterprise Capital Formation Act.

His diligence in developing a bipartisan and workable proposal which encourages the start up of new companies, the availability of capital, and long-term investment strategies is commendable.

The need for encouragement in this area has been a topic of discussion for some time. Many of us have worked with leading economists, entrepreneurs, and industry specialists to design comprehensive legislative proposals that would alter corporate mentality and lower the cost of capital.

In the fall of 1989, I introduced a capital gains reduction package in an attempt to achieve these objectives. The approach may have been too sweeping for it included a capital gains reduction on assets other than for the purchase of corporate equity, but it did address the issues of shifting time horizons and lowering the cost of capital.

As Senator BUMPERS proposal suggests, these issues are still very much a part of what is holding this country back from being as economically competitive as its resources lead us to believe it can be.

The deterioration of the manufacturing base in America is attributable to the lack of long-term investment capital available to industries. There is increasing evidence that U.S. investors, entrepreneurs, and corporate managers have overemphasized financial return on a short-range basis to the detriment of long-term investment considerations. There is also evidence that investment capital is becoming less and less affordable because it has become less and less available.

The combination of short-term investment strategies and the lack of affordable capital has resulted in companies reducing the much needed research and development and increasing to a crippling state, plant and equipment deterioration.

Instead of investing in technological improvements to existing facilities or replacing old and overused equipment, a company often contemplates short-term, high-yield ways to satisfy its creditors or to increase dividend payments to its shareholders.

Certainly incentives are needed to lower the cost of capital and expand the horizon of the time economic decisions are made.

This can be done by rewarding investors whose investments meet the criteria of being long term. Senator BUMPERS' bill goes a long way toward providing these incentives. My only regret is that the proposal does not go further.

I recognize the limits placed on us by our Nation's suffocating budget deficit and ever-increasing debt, but the slippage of our economic competitiveness demands that we expand the reach of the tax incentives proposed today. I look forward to working with Senator BUMPERS to see what more can be done without endangering the bipartisan support that the Senator has already engendered.●

● Mr. KERRY. Mr. President, I rise today to introduce the Enterprise Capital Formation Act of 1991 with Senators BUMPERS and BROWN. This legislation is patterned on legislation that I introduced earlier in this Congress and in the last Congress. It would establish a capital gains tax rate differential for investments in new, small, and emerging businesses that are held for a specified length of time.

Mr. President, what I said when I previously introduced my legislation remains true today. The entire Northeast region is in the midst of a severe economic downturn. In Massachusetts, the lack of available capital has aggravated the recession. Banks, faced with large loan losses and tougher capital standards, are shutting off credit lines to sound business opportunities and even to reliable, creditworthy customers. As a result, many small companies and new companies find themselves without the investment capital necessary to expand and contribute to the growth of the regional and national economy.

On January 28, 1991, Gov. William Weld and I held a day-long economic conference in Boston to gather our State's banking, public, business, and academic leaders and to hear firsthand their views on how best to get the Massachusetts economy moving again. Perhaps the most vital issue raised by conference participants—and reiterated in countless meetings I have had throughout Massachusetts since then—was the urgency of finding new ways to get capital flowing into Massachusetts. Capital must be available to small companies today if they are to grow into the large employers of tomorrow.

Mr. President, we are introducing this legislation to address that particular concern and also to correct one aspect of the Tax Reform Act of 1986 which I believe has contributed, in part, to a general decline in the availability of investment capital for small businesses.

However, unlike President Bush, I do not believe a retroactive, broad-based cut in the capital gains tax represents the best way to promote job creation. The bill we are introducing today, like my previous bill, by establishing a two-tier tax rate structure that distinguishes the type and holding period of a qualified investment, will encourage the flow of capital into emerging growth companies and set the stage for future income growth and job creation.

For direct equity investment in businesses worth $100 million or less, our bill will cut the tax rate for capital gains in half after a 5-year holding period. For seed capital investments, investments in companies with $5 million or less in paid-in capital, the bill will give investors a 60- to 100-percent tax deduction for investments held from 6 to 10 years. In addition, investors will be able to deduct losses of up to $50,000 against ordinary income.

As I said when I introduced my bill earlier in the year, I believe that the institution of this capital gains differential will encourage increased investment in the startup and expansion of small and medium-sized businesses that have proven so key in creating jobs. This kind of targeted approach is vital and fair—one that encourages capital formation and rewards patient capital.

Mr. President, I would like to stress that our proposal, like my earlier targeted approach, differs in another way from President Bush's across-the-board capital gains tax cut. Our approach does not have the regressive income distributional effect. By limiting the tax cut to certain types of investments, our bill excludes profits from short-term paper investments and targets long-term job producing investment. Thus, the wealthiest Americans do not benefit enormously and the cost to U.S. taxpayers is limited.

Finally, I want to reemphasize that this measure is as important in addressing current economic concerns in Massachusetts as my last bill was.

I urge our colleagues to join us in supporting this narrowly targeted incentive to get capital flowing in this Nation's economy again.●

● Mr. SEYMOUR. Mr. President, I rise today as an original cosponsor of the Enterprise Capital Formation Act. The legislation we are introducing today is one vital step in ensuring America's entrepreneurial preeminence.

Without a strong economy and enterprise, America's torch of freedom and democracy flicker with subdued conviction. If we are to rightfully lead the world to a new international order of democratization and market-based economies, we must rejuventate America's economy by encouraging growth and prosperity.

Our legislation, the Enterprise Capital Formation Act, will make the United States more competitive by encouraging direct investment in promising new companies, creating jobs, and stimulating research and development in cutting edge technologies. The purpose of this legislation is to cut the capital gains tax to encourage targeted investment in growth-oriented startup and smaller companies.

The bill will lower the capital costs for small companies by providing a 50-percent tax deduction for investors who own small business stock for at least five years. Small business stock is defined as the stock of a company with less than $100 million in paid-in capital. The bill also restricts the sale of stock to direct purchases from the corporation. In addition, investors who make seed capital investment qualify for additional deductions if they hold a stock more than 6 years. This investment is defined as the first $5 million of paid-in capital for a company.

In this period of economic stagnation, these incentives are critical. Many small businesses and startup companies—such as electronic, biotech, and high-technology companies, are finding it difficult to secure bank financing because of the present credit crunch, and virtually impossible to attain financing through the equity markets.

We cannot underestimate the importance of the American electronics industry to our economy and the international competitiveness. At least 1 in 9 manufacturing jobs in the United States is linked to this industry. And 7 million secondary jobs support and service this industry. When this market grows, the economy grows with it.

Our legislation is designed to encourage entrepreneurial investment so that we can at least ensure that the critically important high technology and electronics markets stay ahead of the curve in the increasingly competitive international race for new products.●

By Mr. KENNEDY (for himself, Mr. ADAMS, Mr. BINGAMAN, Mr. DURENBERGER, Mrs. KASSEBAUM, Mr. KOHL, Ms. MIKULSKI, Mr. SIMON, and Mr. HARKIN):

S. 1933. A bill to amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROFESSIONS TRAINING AND NURSE EDUCATION IMPROVEMENT AND REAUTHORIZATION ACT OF 1991

● Mr. KENNEDY. Mr. President, today I am introducing legislation to do more to alleviate the Nation's alarming shortage of primary care practitioners, nurses, public health, and allied health professionals.

The Health Professions Training and Nurses Education Improvement and Reauthorization Act of 1991 will reauthorize programs to train additional health professionals in the following critical areas: First, mid-level primary care providers such as nurse practitioners, nurse midwives, nurse anesthetists, and physician assistants; second, primary care physicians such as in family medicine, general internal medicine, and general pediatrics; and third, allied health professionals in shortage fields such as physical therapists, occupational therapists, and clinical laboratory technologists.

The bill is also intends to improve the geographic distribution of health professionals, and increase access to health care in medically undeserved and rural communities.

The original purpose of the legislation establishing these authorizations in 1963 and 1964 was to increase the overall number of physicians, dentists, nurses, and other health professionals. More recently, our efforts have begun to focus on problems associated with the diminishing number of primary care practitioners, the geographic maldistribution of health professionals, and the need for more nonphysician providers.

The administration has argued that Federal support for these programs over the past 20 years has resulted in overall surpluses of health practitioners and improved their distribution, and there is no longer a need for this legislation. If this were true, then why are approximately 2,000 communities in this country still designated by the Federal Government as health professions shortage areas, where 4,300 physicians are needed to provide primary care services? That figure translates into 30 million people without access to primary and preventive health care. This is a tragedy that we can't allow to continue.

In the 1990 report from the Health Resources and Services Administration on "States' Assessment of Health Personnel Shortages: Issues and Concerns," the States identified three major problems areas in health personnel: First, a shortage of registered nurses; second, a shortage of primary care practitioners; and third, a shortage of all health personnel in rural communities.

Partly as a result of funding provided by the Nursing Education Act, the number of RN's practicing in the United States has grown from 1.4 million in 1983 to 1.7 million in 1990, and the number of students in RN programs has increased from 200,000 to 230,000. Despite these gains, there continues to be a severe shortage of nursing personnel. The 1989 Report of the Hospital Nursing Personnel Survey by the American Hospital Association showed a national vacancy rate of 12.7 percent, with 81 percent of the hospitals reporting a shortage. According to the 1990 "States' Assessment," 49 out of 55 States and territories reported shortages of RN's. In addition, the proportion of RN's who work in rural areas has decreased in recent years, and rural areas continue to be at a disadvantage when competing for the shrinking national supply of nurses.

Over the past 5 years, the proportion of graduates planning to enter the primary care specialties has decreased from 30 percent to 23 percent. Moreover, 1990 national residency matching program data indicate that only 55 percent of the available family practice residency positions were filled.

The picture is no better in general pediatrics, where only 56 percent of the positions were filled; in general internal medicine, only 62 percent were filled. If this trend continues, there will not be enough replacements for the 24,000 family and general practice physicians who will be retiring from their clinical practices in the coming decades.

A major source of primary care providers for medically underserved or rural communities comes from nonphysician providers, consisting mainly of nurse practitioners, certified nurse midwives, and physician assistants. Today, there are over 20,000 nurse practitioners, and over 4,300 certified nurses-midwives. Unfortunately, for every nurse practitioner or nurse-midwife we produce, today, there are at least four medically underserved communities requiring their services. In addition, in 1978, approximately 74 percent of physician assistants were working in primary care; in 1989, this figure had dropped to 55 percent. The percentage of physician assistants practicing in rural areas has been reduced by over half since 1981. These trends must be reversed.

The story is the same for nurse anesthetist. Graduates of such training programs dropped by 44 percent from 1980 to 1990. The number of training programs fell from 163 in 1980 to 80 in 1990. Many hospitals rely solely on nurse anesthetists for anesthesia services, and the vast majority of these hospitals are located in rural areas. Without the service of these nurses, important surgical procedures must often be postponed, thus limiting access to needed care.

Studies, surveys, and reports by groups such as the American Medical Association, American Hospital Association, American Society of Allied Health Professions, the Department of Health and Human Services, and the Institute of Medicine of the National Academy of Sciences provide further evidence of the diminishing pool of allied health personnel and forecast a grim future for our health care system if corrective action is not taken.

The demand is high for allied health practitioners in physical therapy, occupational therapy, clinical laboratories, medical imaging, dental hygiene, and

respiratory therapy. It is projected that by the year 2000, the demand for physical therapists will increase by 57 percent, for occupational therapists by 49 percent, for laboratory technologists by 24 percent, and for medical imaging technologists by 66 percent.

These critical shortages will impede the provision of quality care. They have already forced some hospitals to reduce services, close beds or units, or refer patients to other facilities.

All of these problems are compounded by the rising cost of education in the health professions. Increasing numbers of students are dependent on the Federal Government for assistance to finance their education. In 1976, the Health Education Assistance Loan Program [HEAL] was created to provide financial assistance to graduate students in high tuition health professions schools, and to assure that every American, no matter what their economic status, has access to a health professions education. Since then, HEAL has insured more than 300,000 loans totaling over $2.6 billion in loan principal to students in 11 health professions.

Unfortunately, problems exist in the HEAL program that Congress must address. Default rates are rising. The program was introduced to be self-financing by charging borrowers an up-front loan origination fee, but the fee is now insufficient to cover the costs of the yearly defaults. Congress was forced to appropriate $25 million in fiscal year 1991 to fill the gap and an estimated $61 million in fiscal year 1992. HEAL is broken and needs to be fixed.

Above all, we need to send a clear message that we are committed to training an adequate supply of health professionals to meet the Nation's current needs. This bill sends that message, and I urge the Senate to approve it.

I ask unanimous consent that the text of the Health Professions Training and Nurse Education Improvement and Reauthorization Act of 1991 be printed in the RECORD.

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

S. 1933

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Professions Training and Nurse Education Improvement and Reauthorization Act of 1991".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—PROVISIONS RELATING TO TITLE VII

Sec. 100. Short title.

Subtitle A—General Provisions

Sec. 101. Revision of title heading.
Sec. 102. Definitions.
Sec. 103. National Advisory Council.
Sec. 104. Prohibition of discrimination.
Sec. 105. Health professions data.
Sec. 106. Required assurances.
Sec. 107. Priority in awarding of grants.

Subtitle B—Student Assistance

Sec. 110. Limitations on scope of Federal loan insurance program.
Sec. 111. Loan deferral and loan consolidation.
Sec. 112. Maximum interest rates to be assessed.
Sec. 113. Participation of institutions in loan collection.
Sec. 114. Default penalty fees.
Sec. 115. Elimination of statute of limitations for loan collections.
Sec. 116. Student loan insurance fund.
Sec. 117. Powers and responsibilities.
Sec. 118. Annual report concerning default rates.
Sec. 119. Eligibility of institutions.
Sec. 120. Office for Health Education Assistance Loans.
Sec. 121. Authorization of appropriations for certain loans.

Subtitle C—Direct Student Loan Health Demonstration Program

Sec. 131. Direct student loan health demonstration program.
Sec. 132. Loan repayment program for allied health personnel.
Sec. 133. Scholarships for students of exceptional financial need.
Sec. 134. Repeal of Lister Hill scholarship program.
Sec. 135. Scholarships for students from disadvantaged backgrounds.
Sec. 136. Faculty loan repayment program.

Subtitle D—Grants and Contracts for Programs and Projects

Sec. 141. Departments of family medicine.
Sec. 142. Area health education centers.
Sec. 143. Programs of excellence in health professions education for minorities.
Sec. 144. Training, traineeships, and fellowships in general internal medicine and general pediatrics.
Sec. 145. Dentistry.
Sec. 146. Family medicine residencies.
Sec. 147. Educational assistance to individuals from disadvantaged backgrounds.
Sec. 148. Retention program for certain health professionals.
Sec. 149. Minority faculty development training fellowships.
Sec. 150. Special demonstration projects.
Sec. 151. AIDS education and training.
Sec. 152. Geriatric education centers and geriatric training.

Subtitle E—Personnel in Public Health, Health Administration and Allied Health

Sec. 161. Special projects, schools of public health.
Sec. 162. Graduate programs.
Sec. 163. Public health traineeships.
Sec. 164. Project grants and contracts.
Sec. 165. Advanced training of allied health personnel.
Sec. 166. Division of Allied Health.

Subtitle F—Miscellaneous Programs

Sec. 171. Council on Graduate Medical Education.
Sec. 172. Rural health training program.
Sec. 173. Creation of Advisory Council on Medical Licensure.

Subtitle G—Repealers and Technical and Conforming Amendments

Sec. 181. Repeal of facilities construction grant program.
Sec. 182. Technical and conforming amendments.

TITLE II—PROVISIONS RELATING TO TITLE VIII

Sec. 201. Short title.
Sec. 202. Special projects grants and contracts.
Sec. 203. Advanced nurse education programs.
Sec. 204. Nurse practitioner and nurse midwife programs.
Sec. 205. Capacity building.
Sec. 206. Nursing education opportunities for individuals from disadvantaged backgrounds.
Sec. 207. Traineeships for advanced education of professional nurses.
Sec. 208. Nurse anesthetists.
Sec. 209. Authorization of appropriations for loan repayments.
Sec. 210. Allotments and payments.
Sec. 211. Distribution.
Sec. 212. Undergraduate education of professional nurses.
Sec. 213. Employer loan repayment program.
Sec. 214. Prohibition on discrimination.
Sec. 215. Evaluations.
Sec. 216. Grants for nurse education in long-term care facilities.
Sec. 217. Primary care training program.
Sec. 218. Technical amendments.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Savings provision with respect to current grants or contracts.

SEC. 2. REFERENCES.

Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

TITLE I—PROVISIONS RELATING TO TITLE VII

SEC. 100. SHORT TITLE.

This title may be cited as the "Health Professions Training Improvement and Reauthorization Act of 1991"

Subtitle A—General Provisions

SEC. 101. REVISION OF TITLE HEADING.

The heading for title VII (42 U.S.C. 292 et seq.) is amended by striking out "HEALTH RESEARCH AND TEACHING FACILITIES AND".

SEC. 102. DEFINITIONS.

Section 701 (42 U.S.C. 292a) is amended—

(1) by striking out paragraphs (1), (3), (7) and (9);

(2) by redesignating paragraphs (2), (4), (5), (6), (8) and (10) through (13) as paragraphs (1) through (9), respectively;

(3) in paragraph (2) (as so redesignated)—

(A) by inserting "(A)" after the paragraph designation; and

(B) by adding at the end thereof the following new subparagraphs:

"(B) The term 'graduate program in clinical social work' means an accredited graduate program in a public or nonprofit private institution in a State that provides training in a concentration in health or mental health care leading to a graduate degree in social work.

"(C) The term 'graduate program in marriage and family therapy' means an accredited graduate program in a public or nonprofit private institution in a State which provides training in a concentration leading to a graduate degree in marriage and family therapy.";

(4) in paragraph (3) (as so redesignated), by striking out "or a graduate program in clinical psychology" and inserting in lieu thereof "a graduate program in clinical psychology,

and a graduate program in clinical social work that offers a training concentration in health or mental health care, and a graduate program that provides training in a concentration leading to a graduate degree in marriage and family therapy"; and

(5) in paragraph (9) (as so redesignated) by adding at the end thereof the following new sentence:

"Such term shall not include any registered nurse or physician assistant."

SEC. 103. NATIONAL ADVISORY COUNCIL.

Section 702 (42 U.S.C. 292b) is amended—

(1) in subsection (a)—

(A) by striking out "twenty-one" in the matter preceding paragraph (1) and inserting in lieu thereof "22";

(B) by striking out "thirteen" in paragraph (1) and inserting in lieu thereof "fourteen"; and

(C) by striking out "and graduate programs in clinical psychology" in paragraph (1)(A) and inserting in lieu thereof ", graduate programs in clinical psychology and clinical social work"; and

(2) by adding at the end thereof the following new subsection:

"(e)(1) There is established a subcommittee of the National Advisory Council on Health Professions Education to be known as the Subcommittee on Allied Health (hereafter in this section referred to as the 'Subcommittee') which shall meet at least twice annually until such time as the final report is submitted under paragraph (4). The Subcommittee shall—

"(A) provide advice and make recommendations to the National Advisory Council, the Secretary, and to the Committee on Labor and Human Resources and Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, with respect to—

"(i) the supply and distribution of allied health personnel throughout the United States;

"(ii) current and future shortages or excesses of allied health personnel, particularly in medically underserved and rural communities;

"(iii) priority research needs within the allied health professions;

"(iv) appropriate Federal policies relating to the matters described in clauses (i) through (iii), including policies concerning changes in the financing of undergraduate and graduate allied health programs, changes in the types of allied health education, and the appropriate Federal role in the development of a research base in the allied health professions;

"(v) appropriate efforts to be carried out by health care facilities, schools and programs of allied health, and professional associations with respect to the matter referred to in clause (i), including efforts for changes in undergraduate and graduate allied health education programs, and private support for research initiatives;

"(vi) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the United States and steps that should be taken to eliminate such deficiencies; and

"(vii) problems, and recommendations for the resolution of such problems, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry;

"(B) encourage entities providing allied health education to conduct activities to voluntarily achieve the recommendations of the Subcommittee;

"(C)(i) conduct a study concerning the shortage of clinical laboratory technologists for the purpose of—

"(I) determining the extent of such shortage;

"(II) determining the causes of such shortage; and

"(III) developing recommendations concerning the manner in which such shortage can be alleviated; and

"(ii) in conducting the study required under clause (i)—

"(I) consider any special or unique factors affecting the supply of clinical laboratory technologists in medically underserved and rural communities; and

"(II) conduct an assessment of alternative routes for certification of the competence of individuals to serve as such technologists, and consider the role of entities that provide such certifications; and

"(D) not later than October 1, 1993, prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report concerning the results of the study conducted under subparagraph (D).

"(2) In addition to select members of the National Advisory Council, the Subcommittee shall be composed of—

"(A) the Assistant Secretary for Health;

"(B) the Administrator of the Health Care Financing Administration;

"(C) the Assistant Secretary for Defense for Health Affairs;

"(D) the Chief Medical Director of the Department of Veterans Affairs;

"(E) the Commissioner of the Bureau of Labor Statistics of the Department of Labor;

"(F) a representative of the National Center for Education Statistics of the Department of Education;

"(G) a representative of the Bureau of Health Professions, Health Resources and Services Administration to be appointed by the Secretary;

"(H) five individuals appointed by the Secretary to represent allied health professionals, of which—

"(i) two such individuals shall be representatives of allied health professionals who provide occupational, speech, respiratory or physical therapy services;

"(ii) two such individuals shall be health professionals who provide primary care services in underserved areas or to underserved populations; and

(iii) one such individual shall be a health professional who provide primary care services to the elderly;

"(I) five individuals appointed by the Secretary, including representatives of schools and programs of allied health, health care facility employers of allied health personnel, health insurers, and professional organizations representing the allied health professions;

"(J) a professional knowledgeable about health occupations and professions and data policy to be appointed by the Secretary; and

"(K) a representative of the general public to be appointed by the Secretary.

"(3) Not later than April 1, 1992, the Secretary shall appoint the members of the Subcommittee in accordance with paragraph (2).

"(4) Not later than 6 months after the date on which the initial meeting of the Subcommittee is held, the Subcommittee shall prepare and submit to the individual and entities described in paragraph (1)(A) a progress report concerning the activities of the Subcommittee. Not later than April 1, 1994, the Subcommittee shall prepare and submit to such individuals and entities a final report.

"(5) The Secertary shall insure the necessary resources are made available to implement the provisions of this subsection.

"(6) The Subcommittee shall terminate upon the submission of the final report required under paragraph (4).".

SEC. 104. PROHIBITION OF DISCRIMINATION.

Section 704 (42 U.S.C. 292d) is amended—

(1) in the section heading by striking out "ON THE BASIS OF SEX";

(2) by striking out "sex" each place that such occurs and inserting in lieu thereof "race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation"; and

(3) by striking out "or graduate program in clinical psychology" and inserting in lieu thereof "graduate program in clinical psychology or graduate program in clinical social work".

SEC. 105. HEALTH PROFESSIONS DATA.

(a) IN GENERAL.—Section 708 (42 U.S.C. 292h) is amended—

(1) in subsection (a)—

(A) by inserting after "clinical psychologists," the following: "physician assistants, clinical social workers practicing in health or mental health care"; and

(B) by adding at the end thereof the following new sentence: "Data shall also be collected with respect to health professional shortage areas as designated under section 332, and other medically underserved communities (as defined in section 711(c)(2)) and underserved populations."; and

(2) in subsection (d)—

(A) by inserting "health professional shortage areas, rural areas, and medically underserved areas and populations," after "profession," in paragraph (1); and

(B) by inserting ", service in health professional shortage areas and to medically underserved communities (as defined in section 711(c)(2) and populations," after "geographic location" in paragraph (2).

(b) TRANSFER OF PROVISIONS WITH RESPECT TO STATISTICS AND REPORT.—

(1) IN GENERAL.—Section 794 (42 U.S.C. 295h-2)—

(A) is transferred to part A of title VII;

(B) is redesignated as section 708A; and

(C) is inserted after section 708 of such part A.

(2) REVISION.—Section 708A (as transferred and added by paragraph (1), is amended—

(A) in the section heading by striking out "ANNUAL" and inserting in lieu thereof "BIENNIAL"; and

(B) in subsection (c)—

(i) by striking out "Labor and Public Welfare" and inserting in lieu thereof "Labor and Human Resources" in the matter preceding paragraph (1); and

(ii) by striking out "under this subpart" and inserting in lieu thereof "under subpart I of part G" in paragraph (2).

SEC. 106. REQUIRED ASSURANCES.

Section 709(c) (42 U.S.C. 292i(c)) is amended by adding at the end thereof the following new sentence: "The applicant is further required to provide assurances to the Secretary that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases."

SEC. 107. PRIORITY IN AWARDING OF GRANTS.

Part A (42 U.S.C. 292 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 711. PRIORITIES IN AWARDING OF GRANTS.

"(a) ALLOCATION OF COMPETITIVE GRANT FUNDS.—In awarding competitive grants under this title or title VIII, the Secretary shall, among applicants that meet the eligibility requirements under such titles, give priority to entities submitting applications that—

"(1) can demonstrate that such entities have training programs that demonstrate the presence of, or progress toward the development and integration of effective approaches and educational strategies to promote health and prevent disease and disability, especially in primary care, that will help meet the Healthy People 2000: National Health Promotion and Disease Prevention Objectives established by the Public Health Service; and

"(2)(A) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved or rural communities; or

"(B) will provide for not less than four of the following—

"(i) the rotation of health professionals and students to clinical settings whose focus is to serve medically underserved communities or rural areas;

"(ii) the appointment of health professionals whose practices serve medically underserved or rural communities to act as preceptors to supervise training in such settings;

"(iii) a plan that insures that all health professionals and students receive information on practice opportunities involving medically underserved or rural communities;

"(iv) service contingent scholarship or loan repayment programs for students and health professionals to encourage practice in or service to medically underserved or rural communities;

"(v) the recruitment and admission of students from medically underserved or rural communities; and

"(vi) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved or rural communities.

"(b) SERVICE IN MEDICALLY UNDERSERVED OR RURAL COMMUNITIES.—Of the amounts appropriated for fiscal year 1995, and for each subsequent fiscal year, for competitive grants under this title or title VIII, the Secretary shall give preference in awarding grants to schools or programs that are otherwise eligible for grants under such titles, and that can demonstrate that—

"(1) not less than 20 percent of the graduates of such schools or programs during the preceding 2-year period are engaged in full-time practice in a health professions shortage specialty in a medically underserved or rural community; or

"(2) the number of the graduates of such schools or programs that are practicing in a medically underserved or rural community has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period. Among the pool of applications that have been approved by the Standard peer review process, funding preference applies only to those applications that score in the upper 80 percent of those approved applications.

"(c) DEFINITIONS.—As used in this section:

"(1) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(2) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(A) an area designated under section 332 as a health professional shortage area;

"(B) an area or population designated as a medically underserved area under section 330(b)(3), including areas designated under section 330(b)(6);

"(C) populations served by migrant health centers under section 329, community health centers under section 330, programs providing health services for the homeless under section 340, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.

"(3) RURAL COMMUNITY.—The term 'rural' refers to geographic areas that are located outside of standard metropolitan statistical areas.".

Subtitle B-Student Assistance

SEC. 110. LIMITATIONS ON SCOPE OF FEDERAL LOAN INSURANCE PROGRAM.

Section 728(a) (42 U.S.C. 294a(a)) is amended—

(1) in the first sentence by striking out "$500,000,000" and all that follows through the end thereof and inserting the following: "$400,000,000 for fiscal year 1992, $425,000,000 for fiscal year 1993, $475,000,000 for fiscal year 1994, $525,000,000 for fiscal year 1995, and $550,000,000 for fiscal year 1996."; and

(2) in the third sentence by striking out "September 30, 1994" and inserting in lieu thereof "September 30, 1999".

SEC. 111. LOAN DEFERRAL AND LOAN CONSOLIDATION.

(a) LOAN DEFERRAL.—Section 731(a)(2)(C) (42 U.S.C. 294d(a)(2)(C)) is amended—

(1) in clause (viii)—

(A) by striking out "clauses (i) through (vii)" and inserting in lieu thereof "clauses (i) through (x)"; and

(B) by striking out "clauses (i) through (viii)" and inserting in lieu thereof "clauses (i) through (xi)";

(2) by redesignating clauses (vii) and (viii) as clauses (x) and (xi), respectively; and

(3) by inserting after clause (vi), the following new clauses: "(vii) not in excess of 3 years, for a borrower who has (I) completed an accredited internship or residency training program in family medicine, general internal medicine or general pediatrics, or (II) completed training in general dentistry, public health dentistry, clinical psychology or clinical social work and is currently serving as a primary care provider in a medically underserved or rural community as defined in section 711(c), (viii) not in excess of 1 year, for borrowers in the health professions that do not require residency training, (ix) not in excess of 2 years during which the borrower is providing care in a medically underserved or rural community as defined in section 711(c),".

(b) LOAN CONSOLIDATION.—Subsection (f) of section 732 (42 U.S.C. 294e(f)) is amended to read as follows:

"(f) Nothing in this section shall be construed to preclude the consolidation of all of the borrower's debts into a single instrument on the same terms and conditions as those provided in the Higher Education Act of 1965.".

(c) TECHNICAL AMENDMENTS.—Section 728(c) (42 U.S.C. 294a(c)) is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 112. MAXIMUM INTEREST RATES TO BE ASSESSED.

Section 731 (42 U.S.C. 294d) is amended—

(1) in subsection (a)(2)(D), by striking out "semiannually" and inserting in lieu thereof "annually"; and

(2) in subsection (b)—

(A) by inserting "(1)" after the subsection designation;

(B) by striking out "No maximum" and inserting in lieu thereof "The";

(C) by striking out "subsection (a) may exceed the average" and inserting in lieu thereof "subsection (a) may not exceed the average";

(D) by inserting before the period, the following: "with a maximum rate of interest of 12 percent per year"; and

(E) by adding at the end thereof the following:

"(2)(A) A special allowance may be paid to an eligible holder of an eligible loan under this subpart for each of the 3-month periods ending on March 31, June 30, September 30, and December 31 of each year. The amount of a special allowance paid to any holder under this paragraph with respect to any 3-month period shall be a percentage of the average unpaid balance of principal (not including unearned interest added to such principal) on all eligible loans held by such holder during such period.

"(B) Subject to paragraph (4), a special allowance paid under this paragraph to a holder shall be computed—

"(i) by determining the average of the bond equivalent rates of 91-day Treasury bills auctioned for the 3-month period for which the allowance is to be paid;

"(ii) by subtracting the applicable interest rate on the loans that are subject to such allowance from such average,

"(iii) by adding 3 percent to the amount determined under clause (ii); and

"(iv) by dividing the amount determined under clause (iii) by 4.

"(C) The holder of an eligible loan under this subpart shall have a contractual right against the United States, during the life of such loan, to receive the special allowance under this paragraph. The special allowance determined for any 3-month period under this paragraph shall be paid promptly after the close of such period, and without administrative delay after receipt of an accurate and complete request for payment, pursuant to procedures established under regulations promulgated under this paragraph.

"(D)(i) If payment of a special allowance to a holder under this section has not been made within 30 days after the Secretary has received an accurate, timely, and complete request for payment from such holder, the amount of such allowance shall be increased by an amount equal to the daily interest accruing on such allowance, as determined under clause (ii), and interest benefits payments due the holder.

"(ii) The amount of the daily interest referred to in clause (i) shall be computed at the daily equivalent rate of the sum of the special allowance rate determined under subparagraph (B) and the interest rate applicable to the loan, and shall be paid for the later of—

"(I) the 31st day after the receipt of a request for payment of an allowance under this paragraph by the holder; or

"(II) the 31st day after the final day of the period or periods covered by such request;

and shall be paid for each succeeding day until, and including, the date on which the Secretary authorizes payment.

"(iii) For purposes of reporting to Congress the amounts of special allowances paid under this paragraph, amounts so paid shall be segregated and reported separately.

"(E) The Secretary shall pay the holder of an eligible loan a special allowance under this paragraph, at such time or times as are specified in regulations promulgated under this paragraph, subject to the condition that such holder shall submit to the Secretary, at such time or times, and in such manner as the Secretary determines appropriate, such information as may be required under such regulations for the purpose of enabling the Secretary to carry out this section and to carry out the purposes of this section.

"(F) The quarterly rate of the special allowance for holders of loans that were made or purchased with funds obtained by the holder from the issuance of obligations, the income from which is exempt from taxation under the Internal Revenue Code of 1986, shall be one half the quarterly rate of the special allowance established under subparagraph (B). Such rate shall also apply to holders of loans that were made or purchased with funds obtained by the holder from collections or default reimbursements on, or interest or other income pertaining to, loans made or purchased with funds described in the preceding sentence or from income on the investment of such funds.".

SEC. 113. PARTICIPATION OF INSTITUTIONS IN LOAN COLLECTION.

(a) ELIGIBILITY.—Section 731(a)(2) (42 U.S.C. 294d(a)(2)) is amended—

(1) in subparagraph (G), by striking out "and" at the end thereof;

(2) in subparagraph (H), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(I) authorizes an institution or postgraduate training program attended by the borrower to assist in the collection of any loan that becomes delinquent, by providing information concerning the borrower to the Secretary and to past and present lenders and holders of the borrower's loans.".

(b) FEDERAL LOAN INSURANCE PROGRAM.—Section 733 (42 U.S.C. 294f) is amended—

(1) by adding at the end of subsection (a) the following new sentence: "The Secretary shall establish by regulation performance standards and fees to be paid by lenders and loan holders for the servicing of HEAL loans and for the processing of loan default claims filed by insurance beneficiaries under this subsection.";

(2) in subsection (e)—

(A) by striking out "and" at the end of paragraph (2); and

(B) by adding at the end thereof the following new paragraph:

"(4) the term 'default rate', in the case of an eligible entity, means the percentage constituted by the ratio of—

"(A) the principal amount of loans insured under this subpart—

"(i) that are made with respect to the entity and that enter repayment status after April 7, 1987; and

"(ii) for which amounts have been paid under subsection (a) to insurance beneficiaries, exclusive of any loans for which amounts have been so paid as a result of bankruptcy under title 11 of the United States Code, or the death or total and permanent disability of the borrowers, and exclusive of any amounts of principal actually repaid by the borrowers subsequent to payment of the claim; to

"(B) the total principal amount of loans insured under this subpart that are made with respect to the entity and enter repayment status after April 7, 1987.";

(3) in the first sentence of subsection (f), by striking out "The Secretary may" and inserting in lieu thereof "The Secretary shall"; and

(4) in subsection (h)(1)—

(A) by striking out "or" at the end of subparagraph (B);

(B) by striking out the period in subparagraph (C), and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new subparagraph:

"(D) in the judgment of the Secretary, in consultation with the lender or holder, there is not a reasonable likelihood of recovering, within 6 months of the date on which active enforcement of the judgment begins, at least one-half of the outstanding debt owed by the borrower (including collections costs and associated charges) or $10,000, whichever is less.".

SEC. 114. DEFAULT PENALTY FEES.

(a) IN GENERAL.—Part C of title VII is amended by inserting after section 732 (42 U.S.C. 294e) the following new section:

"SEC. 732A. DEFAULT PENALTY FEES.

"(a) AUTHORITY.—With respect to a loan made under this subpart, the Secretary, in accordance with subsection (b), shall assess a risk-based premium on an eligible borrower and, if required, an eligible institution that is based on the default rate of the eligible institution involved.

"(b) ASSESSMENT OF PREMIUM.—Except as provided in subsection (d)(2), the risk-based premium to be assessed under subsection (a) shall be as follows:

"(1) LOW-RISK RATE.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate below five percent, such borrower shall be assessed a risk-based premium in an amount equal to 6 percent of the principal amount of the loan.

"(2) MEDIUM RISK RATE.—

"(A) IN GENERAL.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of between five percent and 15 percent—

"(i) such borrower shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan; and

"(ii) such institution shall be assessed a risk-based premium in an amount equal to 5 percent of the principal amount of the loan.

"(B) REDUCTION IN LOAN LEVEL.—The maximum loan amount for which a borrower of the type described in subparagraph (A) shall be eligible to receive shall be reduced by an amount equal to 10 percent of the maximum loan amount that such borrower would otherwise be eligible to receive under this subpart prior to the date of enactment of this section.

"(C) DEFAULT MANAGEMENT PLAN.—An institution of the type described in subparagraph (A) shall prepare and submit to the Secretary for approval, an annual default management plan, that shall specify the detailed short-term and long-term procedures that such institution will have in place to minimize defaults on loans to borrowers under this subpart. Under such plan the institution shall, among other measures, provide an exit interview to all borrowers that includes information concerning repayment schedules, loan deferments, forbearance, and the consequences of default.

"(3) HIGH RISK RATE.—

"(A) IN GENERAL.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of between 15 percent and 25 percent—

"(i) such borrower shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan; and

"(ii) such institution shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan.

"(B) REDUCTION IN LOAN LEVEL.—The maximum loan amount for which a borrower of the type described in subparagraph (A) shall be eligible to receive shall be reduced by an amount equal to 25 percent of the maximum loan amount that such borrower would otherwise be eligible to receive under this subpart prior to the date of enactment of this section.

"(C) DEFAULT MANAGEMENT PLAN.—An institution of the type described in subparagraph (A) shall, in addition to complying with the provisions of paragraph (2)(C), become a co-signer of the loan. The Secretary may require a performance bond on behalf of such an institution.

"(4) INELIGIBILITY.—A borrower shall not be eligible to obtain a loan under this subpart for attendance at an institution that has a default rate of in excess of 25 percent.

"(c) REDUCTION OF AT-RISK PREMIUM.—Lenders may reduce by 50 percent the at-risk premium to eligible borrowers if a credit worthy parent or other responsible party cosigns the loan note.

"(d) ADMINISTRATIVE WAIVERS.—

"(1) HEARING.—The Secretary shall afford an institution not less than one hearing, and may consider mitigating circumstances, prior to assigning an institution to a risk-based category under subsection (b) or making such institution ineligible for participation in the programs under this subpart.

"(2) EXCEPTIONS.—In carrying out this section with respect to an institution, the Secretary may grant an institution a waiver of requirements of subsection (b) if the Secretary determines that—

"(A) the default rate for such institution is not an accurate indicator because the volume of the loans under this subpart made by such institution has been insufficient;

"(B) the borrowers of such institution that are in default are providing primary care in a medically underserved community, as defined in section 711(c)(2);

"(C) progress is being made to reduce the default rate of the institution; or

"(D) the institution can justify the default record using other sources of information.

"(3) TRANSITION FOR CERTAIN INSTITUTIONS.—Effective January 1, 1992, an institution with 40 percent or more of its students coming from populations that are traditionally underrepresented in the health professions may not be ruled as ineligible to participate in the loan program under this subpart for a 5-year period. Such institutions shall submit to the Secretary an annual default management plan.

"(e) PAYOFF TO REDUCE RISK CATEGORY.—An institution may payoff the outstanding principal and interest owed by the students of such institution who have defaulted on loans made under this subpart in order to reduce the risk category of the institution.".

(b) TECHNICAL AMENDMENT.—Section 732 (42 U.S.C. 294e) is amended by striking out subsection (c).

SEC. 115. ELIMINATION OF STATUTE OF LIMITATIONS FOR LOAN COLLECTIONS.

(a) ELIMINATION.—

(1) IN GENERAL.—Section 733 (42 U.S.C. 294f) is amended by adding at the end the following new subsection:

"(j)(1) It is the purpose of this subsection to ensure that obligations to repay loans are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

"(2) Notwithstanding any other provision of Federal or State statute, regulation, or administrative limitation, no limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by the Secretary, the Attorney General, or other administrative head of another Federal agency, as the case may be, for the repayment of the amount due from a borrower on a loan made under this subpart that has been assigned to the Secretary under this subpart.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective with respect to actions pending on or after the date of enactment of this Act.

(b) TECHNICAL AMENDMENT.—Section 733(h)(1)(A)(ii) (42 U.S.C. 294f(h)(1)(A)(ii)) is amended by striking out "fruitless" and inserting in lieu thereof "inappropriate".

SEC. 116. STUDENT LOAN INSURANCE FUND.

Section 734 (42 U.S.C. 294g) is amended—

(1) in the first sentence of subsection (a), by striking out "in connection with the collection or default of loans" and inserting in lieu thereof "in connection with the administration, collection and default of loans"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Secretary may utilize not to exceed $1,000,000 of amounts available under this section for each of the fiscal years 1992 through 1996 to support the activities of the Office for Health Education Assistance Loans.".

SEC. 117. POWERS AND RESPONSIBILITIES.

Section 735(c) (42 U.S.C. 294h(c)) is amended—

(1) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively; and

(2) by inserting immediately before paragraph (2) (as so redesignated) the following new paragraph:

"(1) Borrowers under this subpart who enter and remain in the primary care fields of general internal medicine, general pediatrics and family medicine shall receive preference for participation in the National Health Service Corps Loan Repayment Program under section 338B."

(3) in paragraph (2) (as so redesignated), by striking out "not to exceed $10,000 in any 12-month period" and inserting in lieu thereof "not to exceed $35,000 in any 12-month period";

(4) in paragraph (3) (as so redesignated)—

(A) by striking out "paragraphs (3) and (4)" and inserting in lieu thereof "paragraphs (4) and (5)"; and

(B) by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (2)";

(4) by striking out paragraph (4) (as so redesignated) and inserting in lieu thereof the following new paragraph:

"(4) The obligation of a borrower to pay damages under this subsection shall be canceled only in the case of the death, bankruptcy or total permanent disability of the borrower. A borrower may not be permitted to discharge in bankruptcy a loan made under this section within 5 years of the first date on which repayment of the damages is required."; and

(5) in paragraph (5) (as so redesignated), by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (3)".

SEC. 118. ANNUAL REPORT CONCERNING DEFAULT RATES.

Subpart I of part C of title VII (42 U.S.C. 294 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 737B. ANNUAL REPORT CONCERNING DEFAULT RATES.

"(a) REPORT.—Not later than September 30, 1992, and annually thereafter, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report concerning the default rates for each—

"(1) institution described in section 737(1) that is participating in the loan programs under this subpart;

"(2) lender participating in the loan program under this subpart; and

"(3) loan holder under this subpart.

"(b) LIST OF DEFAULTERS.—As part of the report submitted under subsection (1), the Secretary shall compile, and publish in the Federal Register, a list of the borrowers who are in default under this subpart.

"(c) NOTICES OF DEFAULT.—The Secretary shall annually send notices of default with respect to the borrowers identified on the list under subsection (b), to relevant Federal agencies and to organizations such as State licensing boards, hospitals with which such borrowers may be associated, and specialty organizations.".

SEC. 119. ELIGIBILITY OF INSTITUTIONS.

(a) IN GENERAL.—Section 739(a) (42 U.S.C. 2941) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) in paragraph (4), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(5) the assessing of tuition or fees to borrowers in amounts that are the same or less than the amount of tuition and fees assessed to non-borrowers;

"(6) the submission, by the institution and the lender to the Office of Health Education Assistance Loans, of information concerning each loan made under this subpart, including the date when each such loan was originated, the date when each such loan is sold, the identity of the loan holder and information concerning a change in the borrowers status;

"(7) the withholding of services, including academic transcripts, financial aid transcripts, and alumni services, by an institution from a borrower upon the default of such borrower of a loan under this subpart, except in case of a borrower who has filed for bankruptcy; and

"(8) the offering, by the lender to the borrower, of a variety of repayment options, including fixed-rate, graduated repayment with negative amortization permitted, and income dependent payments for a limited period followed by level monthly payments.".

(b) WORKSHOP FOR BORROWERS.—Section 739 (42 U.S.C. 2941) is amended by adding at the end thereof the following new subsection:

"(c) Each participating institution must have, at the beginning of each academic year, a workshop concerning the provisions of this subpart that all student borrowers shall be required to attend.".

SEC. 120. OFFICE FOR HEALTH EDUCATION ASSISTANCE LOANS.

Subpart I of part C of title VII is amended by adding at the end thereof the following new section:

"SEC. 739B. OFFICE FOR HEALTH EDUCATION ASSISTANCE LOANS.

"(a) ESTABLISHMENT.—The Secretary shall establish, within the Bureau of Health Professions, an office to be known as the Office for Health Education Assistance Loans (hereafter referred to in this section as the 'Office').

"(b) PURPOSE AND FUNCTIONS.—It shall be the purpose of the Office to achieve a reduction in the number and amounts of defaults on loans made or guaranteed under this part. In carrying out such purpose the Office may—

"(1) conduct analytical and evaluative studies concerning loans and loan defaults;

"(2) carry out activities designed to reduce loan defaults;

"(3) respond to special circumstances that may exist in the financial lending environment that may lead to loan defaults;

"(4) coordinate with other Federal entities that are involved with student loan programs, including—

"(A) with respect to the Department of Education, to develop a single student loan application form, a single student loan deferment form and a single disability form; and

"(B) with respect to the Department of Justice to recover payments from health professionals who have defaulted on loans made or guaranteed under this part;

"(5) provide technical assistance to lenders, servicers and schools concerning deferments and collection activities;

"(6) establish a central student loan database; and

"(7) carry out any other activities that the Secretary determines appropriate.".

SEC. 121. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN LOANS.

(a) CONSTRUCTION.—Subsection (a) of section 742 (42 U.S.C. 294o) is repealed.

(b) AUTHORIZATION.—Section 742(c)(1) (42 U.S.C. 294o(c)(1)) is amended by striking out "$15,000,000" and all that follows through the end thereof and inserting the following: "$15,000,000 for each of the fiscal years 1992 through 1996.".

Subtitle C—Direct Student Loan Health Demonstration Program

SEC. 131. DIRECT STUDENT LOAN HEALTH DEMONSTRATION PROGRAM.

(a) Purpose.—It is the purpose of this section to establish a direct student loan demonstration program for health professions students to examine the viability of such a program and determine—

(1) whether such a program will—

(A) reduce default costs to the Federal Government; and

(B) provide loans on more favorable terms to students; and

(2) whether the existing HEAL program under part C of the Public Health Service Act should be replaced by a direct loan program in which health professions schools, rather than lenders, make such loans directly to borrowers.

(b) ESTABLISHMENT OF PROGRAM.—Part C of title VII (42 U.S.C. 294 et seq.) is amended by adding at the end thereof the following new subpart:

"Subpart VII—Demonstration Programs

"SEC. 765. ESTABLISHMENT OF DIRECT STUDENT LOAN HEALTH DEMONSTRATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a direct student loan health demonstration program under which the Secretary will make assistance available to certain institutions who shall utilize such assistance to make direct loans to health pro-

fessions students to assist such students in meeting the costs associated with attending such institutions.

"(b) FUNDING.—The Secretary shall borrow, from the Secretary of the Treasury, an amount not to exceed $50,000,000 in each fiscal year to enable the Secretary to provide assistance to institutions under the program established under subsection (a).

"(c) PARTICIPATING INSTITUTIONS.—

"(1) SELECTION.—The Secretary shall select not to exceed 20 eligible institutions to participate in the program established under this section. In making such selections, the Secretary shall, to the maximum extent practicable, ensure that a wide range of health professions institutions participate in such program, except that the Secretary may refuse to permit the participation of any institution that has a default rate under the program established under subpart I that is in excess of 15 percent.

"(2) ELIGIBLE INSTITUTIONS.—To be eligible for selection under paragraph (1), an institution shall—

"(A) be eligible to participate in the program established under subpart I;

"(B) have annually accepted for enrollment not less than 20 student borrowers under such subpart;

"(C) prepare and submit to the Secretary an application, at such time, in such form, and containing such information as the Secretary may require, including demonstrable evidence that the institution possesses the administrative capacity to implement the direct loan program either in-house or through the employment of an outside entity;

"(D) agree to assume full liability, as assessed by the Secretary, for errors relating to the origination of loans or other administrative responsibilities of institutions under this title;

"(E) agree to provide all information and maintain such records as required by the Secretary in order to assist in the evaluation of the program authorized under this section; and

"(F) otherwise meet the requirements of this section.

"(3) REQUIREMENTS.—An institution participating in the program established under this section shall—

"(A) be responsible for originating loans under the program, conducting interviews with borrowers prior to the origination of such loans, conducting exit interviews with borrowers (which shall include the provision of all pertinent documentation as required by the Secretary), and assisting collection agencies in locating and collecting repayments from borrowers who become delinquent;

"(B) increase tuition and required fees at a rate that does not exceed 150 percent of the increase in the cost of living in the previous year;

"(C) not later than 15 working days after a borrower is determined to have lost his or her status as a full-time student, proceed with in-house collection activities or forward the loan of the borrower to a collection agency selected by the Secretary.

"(d) BORROWERS.—

"(1) ELIGIBILITY.—A student who has not previously obtained a loan under subpart I shall be eligible to participate in the program established under this section. The provisions of section 731 (except for subsection (a)(1)(B) and (b) of such section) shall apply to borrowers under this subpart.

"(2) INELIGIBILITY FOR HEAL LOANS.—A student that obtains a loan under the program established under this section shall be ineligible to obtain a loan under subpart I until the expiration of the program established under this subpart.

"(3) EVALUATION AGREEMENT.—A borrower under this section shall agree to participate in an evaluation of the program established under this section.

"(4) LIMITATIONS.—The limitations described in section 729 shall apply to loans made under this subpart.

"(e) TERMS OF LOANS.—

"(1) PROMISSORY NOTE.—A borrower under this section shall be required, at the origination of a loan, to sign a promissory note to the Federal Government promising to repay the loan under the terms and conditions disclosed to the borrower at such origination.

"(2) INTEREST RATES.—With respect to a loan made under this section, a borrower shall be assessed an interest rate on such loan that is equal to one percentage point above the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the previous quarter. Such interest will accrue on such loan and will be compounded annually.

"(3) ORIGINATION FEE.—A borrower under this section shall pay a loan origination fee equal to 3 percent of the principal amount of the loan. The proceeds generated from such loan origination fees shall be remitted by the institution to the Secretary to assist in offsetting the costs of the administration of the program.

"(4) REPAYMENT.—Repayment on a loan made under this section shall be deferred for the period during which the borrower is a full-time student at the institution. Except as provided in paragraph (5), such repayment shall commence 90 days after the date on which the borrower is no longer a full-time student at such institution.

"(5) FORBEARANCE.—

"(A) ON DEMAND.—A borrower may receive forbearance on a loan under this section on the demand of such borrower for a period of—

"(i) not to exceed 5 years if such borrower is in an accredited postgraduate residency program;

"(ii) not to exceed 1 year beginning on the date on which the borrower leaves the institution if such borrower is not completing a residency or practicing in a medically underserved community; or

"(iii) not to exceed 5 years if such borrower is practicing in a medically underserved community.

"(B) PAYMENTS.—During the period of forbearance under this paragraph, a borrower and an institution may agree on a partial payment schedule based on the income and debt burden of the borrower. In such case the interest shall continue to accrue on the loan and shall be added to the principal amount due on such loan annually. Notwithstanding the preceding sentences, a borrower shall not be required to make any payments of principal or interest on the loan during such forbearance period.

"(6) CANCELLATION.—The obligation of a borrower to repay a loan under this section shall be canceled only in the case of the death, bankruptcy or total permanent disability of the borrower, whichever occurs later. In the case of bankruptcy, the provision of section 733(g) shall apply.

"(f) COLLECTION AGENCIES.—

"(1) REQUIREMENT.—In establishing the program under this section, the Secretary shall enter into contracts with not less than two collection agencies for the collection of repayments under loan made to borrowers under this section.

"(2) SELECTION BY SECRETARY.—In entering into contracts under paragraph (1), the Secretary shall select collection agencies—

"(A) with experience in Federal student loan collections, a comprehensive program of repayment options for borrowers, and modest costs; and

"(B) that provide evidence of being able to work cooperatively with participating institutions.

"(3) SELECTION BY INSTITUTION.—A participating institution under this section shall proceed with in-house collection activities or select an agency that is a party to a contract under paragraph (1) for the collection of repayments on loans originated by the institution.

"(4) REIMBURSEMENT.—A collection agency selected by an institution under paragraph (3) shall be reimbursed by the Secretary for collection activities in an amount that is based on the number of students served by such collection agency under this section. Such agencies shall agree to accept loans from any institution participating in the demonstration program under this section.

"(g) SUSPENSION.—The Secretary may suspend the eligibility of any institution to participate in the program under this section if the Secretary determines that the institution is not successfully implementing the program.

"(h) EVALUATION.—Not later than 1, 5, 10, and 15 years after the date of enactment of this section, the Secretary shall conduct an evaluation of the program established under this section to identify any problems in the program that need correction. The evaluation shall, among other things, assess the cost of the program to the Federal Government, the cost of the program to the borrower, the cost of the program to institutions, the default record of institutions in the program compared to institutions in the program under subpart I, administrative problems that arise from the program, and the impact of the program on the borrower's choice of specialization and residency or practice decisions.

"(i) TERMINATION.—The authority to make loans under this section shall terminate 5 years after the date of enactment of this section.".

SEC. 132. LOAN REPAYMENT PROGRAM FOR ALLIED HEALTH PERSONNEL.

Section 751 (42 U.S.C. 294r) is amended—

(1) in subsection (a), by striking out "an Indian Health Service" and all that follows through the end thereof and inserting "a medically underserved or rural community that can demonstrate a shortage of allied health professionals in a recognized discipline."; and

(2) in subsection (d), by striking out "$2,000,000" and all that follows through the end thereof and inserting "$5,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 133. SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED.

(a) IN GENERAL.—Section 758(d) (42 U.S.C. 294z(d)) is amended by striking out "$16,000,000" and all that follows through the end thereof and inserting "$30,000,000 for each of the fiscal years 1992 through 1996.".

(b) TECHNICAL AMENDMENT.—Part C of title VII (42 U.S.C. 294 et seq.) is amended by striking out the subpart heading for subpart IV.

SEC. 134. REPEAL OF LISTER HILL SCHOLARSHIP PROGRAM.

Section 759 of title VII (42 U.S.C. 294aa) is repealed.

SEC. 135. SCHOLARSHIPS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS.

Section 760 (g)(1) (42 U.S.C. 294bb(g)(1)) is amended by striking out "$17,000,000" and all

that follows through the end thereof and inserting "$17,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 136. FACULTY LOAN REPAYMENT PROGRAM.

Section 761 (42 U.S.C. 294cc) is amended—

(1) in subsection (b), by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

"(b) ELIGIBLE INDIVIDUALS.—The individuals referred to in subsection (a) are individuals from disadvantaged backgrounds who are newly employed as faculty of the eligible school and who have not been members of the faculty of any school at any time during the 18-month period preceding the date of application, and who—";

(2) in subsection (d)—

(A) by striking out "for such year"; and

(B) by striking out "equal to 50 percent" and inserting in lieu thereof "equal to 20 percent"; and

(3) in subsection (h), by striking out "$4,000,000" and all that follows through the end thereof and inserting "$5,000,000 for each of the fiscal years 1992 through 1996.".

Subtitle D—Grants and Contracts for Programs and Projects

SEC. 141. DEPARTMENTS OF FAMILY MEDICINE.

Section 780 (42 U.S.C. 295g) is amended—

(1) in subsection (b)—

(A) by striking out "and" at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1), the following new paragraph:

"(2) in the case of an applicant with an existing department or division of family medicine, assurance satisfactory to the Secretary that such applicant will secure financial support from non-Federal sources in amounts that shall increase annually, and that the applicant has developed a plan for future self-sufficiency; and";

(2) in subsection (c), to read as follows:

"(c) In making grants under subsection (a), the Secretary shall give priority to applications that—

"(1) establish new Departments of Family Medicine; or

"(2) demonstrate the substantial expansion of program activities in existing Departments of Family Medicine."; and

(3) in subsection (d), by striking out "$10,000,000" and all that follows through the end thereof and inserting "$10,000,000 for fiscal year 1992, $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.".

SEC. 142. AREA HEALTH EDUCATION CENTERS.

(a) TERMS OF AGREEMENTS.—Section 781(a) (42 U.S.C. 295g–1(a)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), an agreement entered into under this subsection for establishment of a center shall remain in effect for a period of 6 years from the date on which such agreement was executed. Such agreement shall be extended to the extent necessary to provide Federal funds under such agreement, for a 6-year period, to all centers operated or developed with funds provided under such agreement.

"(B) The agreements referred to in subparagraph (A) may be terminated by the Secretary on a determination by the Secretary that a center, developed and operated with funds received under such agreement, has not performed in a satisfactory manner.

(b) REQUIREMENTS.—Section 781(c) (42 U.S.C. 295g-1(c)) is amended by adding at the end thereof the following new sentences: "The Secretary shall give preference in awarding contracts under this section to applicants that will establish new programs. The Secretary shall give priority in awarding contracts under this section to applicants that establish linkages with a school of public health, if such a school exists within the area being served by such center and desires to participate.".

(c) HEALTH EDUCATION TRAINING CENTERS.—Section 781(f) (42 U.S.C. 295g–1(f)) is amended—

(1) in paragraph (1)—

(A) by inserting "and in other high-impact urban or rural areas (as determined by the Secretary)" before the semicolon in subparagraph (A); and

(B) by inserting "and other high risk" after "Hispanic" in subparagraph (B);

(2) in paragraph (3)—

(A) by inserting "or high impact" after "Each border"; and

(B) by inserting "or a high impact urban or rural area (as determined by the Secretary)" before the period at the end thereof;

(3) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(4) by inserting after paragraph (5), the following new paragraph:

"(6) The Secretary shall give priority in the funding of a health education training center under such agreement to applicants that establish linkages with a school of public health, if such a school exists within the area being served by such center and desires to participate.".

(d) STATE MATCHING AREA HEALTH EDUCATION CENTER PROGRAMS.—Section 781 (42 U.S.C. 295g–1) is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f), the following new subsection:

"(g)(1)(A) The Secretary may enter into agreements with eligible schools of medicine and osteopathic medicine for the planning, development and operation of State supported area health education center programs that meet the requirements of subparagraph (B).

"(B) To be eligible to receive an agreement award under this section, the applicant shall ensure that the program supported with amounts received under the agreement will—

"(i) meet the other requirements of subsections (b) and (c);

"(ii) create and maintain preceptorship educational experiences for health science students;

"(iii) develop or affiliate with community-based primary care residency programs;

"(iv) institute or coordinate with continuing education programs for health professionals;

"(v) establish and maintain learning resource and dissemination systems for information identification and retrieval;

"(vi) enter into agreements with community-based organizations for the delivery of services supported under this authority;

"(vii) become involved in the training of nurses, allied and other health professionals and, where consistent with State laws, nurse practitioners and physicians assistants;

"(viii) carry out recruitment programs for health science professions among minority and other elementary or secondary students from areas the program determines to be medically underserved; and

"(ix) carry out not less than three of the activities described in subparagraph (C).

"(C) The activities referred to in subparagraph (B)(ix) shall include—

"(i) coordinating with an Office of Rural Health in the State that is operating in the area served by the center, wherein one exists;

"(ii) administering appropriate National Health Service Corps program activities in the area serviced by the center, except that such center shall provide only support services if the responsibility for such administration has been assigned to any other State agency;

"(iii) working directly with local health departments in the area served by the center;

"(iv) participating in community and migrant health centers and similar provider activities in the area to be served by the centers; or

"(v) cooperating with other federally and State funded health service provider recruitment and retention programs operating in the area to be served by the center.

"(2) Amounts received under an agreement entered into under this subsection shall be sufficient to enable a State supported area health education program to carry out demonstration projects concerning subjects determined appropriate by the Secretary, including, but not limited to—

"(A) the establishment of computer-based information programs or telecommunication networks that will link health science centers and service delivery sites;

"(B) the provision of disease specific educational programs for health providers and students in areas of concern to the United States;

"(C) the development of information dissemination models to make available new information and technologies emerging from biological research centers to the practicing medical community;

"(D) the institution of new minority recruitment and retention programs, targeted to improved service delivery in areas the program determines to be medically underserved;

"(E) the establishment of State health service corps programs to place physicians from health professional shortage areas into similar areas to encourage retention of physicians and to provide flexibility to States in filling positions in health professional shortage areas; and

"(F) the establishment or improvement of education and training programs for State emergency medical systems.

"(3) The Secretary shall not provide in excess of $2,000,000 per annum per State, or per program where that program serves more than one State, or an aggregate amount based on an average award of $250,000 per center to be supported in the States in which the program is operating, whichever is less, to programs under this subsection.

"(4) An agreement entered into under this subsection shall require that the program—

"(A) ensure that at least 75 percent of the amounts received under the agreement be distributed to area health education centers within the area served by the program, through a formal agreement; and

"(B) use amounts provided under such agreement to supplement, not supplant, State funds provided for similar programs prior to the execution of the agreement.".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 781 (42 U.S.C. 295g–1) is further amended—

(1) in subsection (f)(8)—

(A) by striking out "(h)(2)" in subparagraph (A) and inserting in lieu thereof "(i)(2)"; and

(B) by inserting "and Native American" after "Hispanic" in subparagraph (B)(i); and

(2) by striking out subsection (i) (as so redesignated by subsection (b)(1)), and inserting in lieu thereof the following new subsection:

"(i)(1)(A) For purposes of carrying out this section other than subsection (f), there are authorized to be appropriated $40,000,000 in each of the fiscal years 1992 through 1996. Any amounts appropriated with respect to fiscal year 1992 or 1993 in excess of $19,200,000 and with respect to fiscal years 1994 through 1996 in excess of $18,700,000 shall be used to carry out the activities authorized under subsection (g). Not more than 10 percent of any amount appropriated in a fiscal year in excess of $21,000,000 shall be used to fund the activities authorized under subsection (g)(2).

"(B) The Secretary may obligate not more than 20 percent of the amount appropriated under this paragraph in each fiscal year, or up to $4,000,000, whichever is less, for special area health education center initiatives under section (a)(2)(A).

"(2) For purposes of carrying out subsection (f), there are authorized to be appropriated—

"(A) $5,000,000 for fiscal year 1992;

"(B) $6,000,000 for fiscal year 1993;

"(C) $7,000,000 for fiscal year 1994;

"(D) $8,000,000 for fiscal year 1995; and

"(E) $9,000,000 for fiscal year 1996.".

(f) MATCHING REQUIREMENT.—Section 781 (42 U.S.C. 295g–1) is further amended by adding at the end thereof the following new subsection:

"(j) An agreement entered into under subsection (g) after the date of enactment of this subsection shall require that the entity awarded such agreement make available (directly through cash donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than $1 for every $1 of Federal funds provided under the agreement in such year.".

(g) TECHNICAL AMENDMENTS.—Section 781 such Act (42 U.S.C. 295g–1) is further amended—

(1) by striking out "contract" each place that such appears and inserting in lieu thereof "agreement"; and

(2) by striking out "contracts" each place that such appears and inserting in lieu thereof "agreements".

SEC. 143. PROGRAMS OF EXCELLENCE IN HEALTH PROFESSIONS EDUCATION FOR MINORITIES.

(a) DEFINITIONS.—Section 782(g)(1)(A) (42 U.S.C. 295g-2(g)(1)(A)) is amended by striking out "a school of dentistry" and all that follows through the end thereof and inserting "a school of osteopathic medicine, a school of dentistry, a school of pharmacy, a school of public health, or a graduate program in clinical psychology.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 782(h) (42 U.S.C. 295g-2(h)) is amended—

(1) in subsection (a), by inserting ", or enter into contracts with," after "make grants to"; and

(2) in subsection (h)—

(A) by striking out "such sums" and all that follows in paragraph (1) through the end thereof and inserting "$28,000,000 for each fiscal year 1992 through 1996."; and

(B) by striking out "$2,500,000" in paragraph (2)(B), and inserting in lieu thereof "$5,000,000".

SEC. 144. TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS.

(a) GRANTS.—Paragraphs (1) and (2) of section 784(a) (42 U.S.C. 295g-4(a)) are amended to read as follows:

"(1) to plan, develop, and operate, or participate in, an approved professional training program (including an approved residency or internship program) in the field of internal medicine or pediatrics for allopathic and osteopathic students, interns, residents, or practicing physicians, that emphasizes training for the practice of general internal medicine or general pediatrics;

"(2) to provide financial assistance (in the form of traineeships and fellowships) to allopathic and osteopathic students, interns, residents, practicing physicians, or other medical personnel, who are in need of such assistance, who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine and general pediatrics;".

(b) PRIORITY.—Section 784(b) (42 U.S.C. 295g-4(b)) is amended by striking out "priority" and inserting in lieu thereof "preference".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 784(c) (42 U.S.C. 295g-4(c)) is amended by striking out "$10,000,000" and all that follows through the end thereof and inserting "$35,000,000 for fiscal year 1992, $36,000,000 for fiscal year 1993, $37,000,000 for fiscal year 1994, $38,000,000 for fiscal year 1995, and $39,000,000 for fiscal year 1996.".

SEC. 145. DENTISTRY.

(a) RESIDENCY PROGRAMS.—Section 785 (42 U.S.C. 295g-5) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (1);

(B) by striking out the period in paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) to fund innovative, nontraditional models for the provision of postdoctoral General Dentistry training."; and

(2) in subsection (b), by striking out "$4,000,000" and all that follows through the end thereof and inserting "$8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.".

(b) TRAINING GRANTS.—Part F of title VII is amended by inserting after section 785 (42 U.S.C. 295g-5) the following new section:

"SEC. 785A. TRAINING IN DENTAL PUBLIC HEALTH.

"(a) IN GENERAL.—The Secretary may award grants to and enter into contracts with schools of dentistry, schools of public health, accredited postgraduate dental training institutions, or State or local public health agencies to assist such entities in meeting the costs of projects—

"(1) to plan, develop or participate in new residency programs and expand or improve existing residency programs in dental public health; and

"(2) to provide financial assistance in the form of traineeships to dental residents or practicing dentists who participate in any program of the type described in paragraph (1) and who plan to work in the field of public health.

"(b) ELIGIBILITY.—To be eligible to receive a grant or contract under subsection (a), an entity of the type described in such subsection shall—

"(1) prepare and submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require; and

"(2) demonstrate to the Secretary that such entity has available full-time faculty or staff with training and experience in the field of public health, preventive dentistry or community dentistry and other related specialties or disciplines.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 146. FAMILY MEDICINE RESIDENCIES.

Section 786 (42 U.S.C. 295g-6) is amended—

(1) in subsection (b)—

(A) by striking out "priority" and inserting in lieu thereof "preference"; and

(B) by inserting after "family medicine" the following: "and who demonstrate a substantial linkage to one or more medically underserved or rural communities (as defined in section 711(c))";

(2) in subsection (c), by striking out "$37,900,000" and all that follows through the end thereof and inserting "$50,000,000 for fiscal year 1992, $51,000,000 for fiscal year 1993, $52,000,000 for fiscal year 1994, $53,000,000 for fiscal year 1995, and $54,000,000 for fiscal year 1996."; and

(3) by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, after October 1, 1993, only those schools or hospitals with departments or divisions or approved residencies providing clinical instruction in family medicine shall be eligible to receive assistance under this section."

SEC. 147. EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

Section 787 (42 U.S.C. 295g-7) is amended—

(1) in subsection (a)(1), by inserting "or clinical social work" after "clinical psychology";

(2) in subsection (b)—

(A) by inserting "or clinical social work" after "clinical psychology" in paragraph (1);

(B) by striking out "priority" and inserting in lieu thereof "preference" in the matter preceding subparagraph (A) of paragraph (2);

(C) by striking out "and" at the end of subparagraph (A) of paragraph (2);

(D) by striking out subparagraph (B) of paragraph (2) and inserting in lieu thereof the following new subparagraph:

"(B) to schools that—

"(i) maintain an enrollment of individuals from disadvantaged backgrounds at a level that exceeds 200 percent of the national average of such individuals enrolled in such schools;

"(ii) secure financial support from non-Federal sources in amounts that increase annually; and

"(iii) involve or consult with appropriate State and local health and educational agencies and entities in the planning and conduct of the project.";

(3) in subsection (c)—

(A) by striking out "$20,000,000" and all that follows through the first period and inserting "$36,000,000 for fiscal year 1992, $37,000,000 for fiscal year 1993, $38,000,000 for fiscal year 1994, $39,000,000 for fiscal year 1995, and $40,000,000 for fiscal year 1996."; and

(B) by striking out the third and fourth sentences; and

(4) by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law relating to a limitation on the amount of stipends that may be paid under this section, the Secretary may provide for the payment of stipends under this section in an amount not to exceed $40 per day.".

SEC. 148. RETENTION PROGRAM FOR CERTAIN HEALTH PROFESSIONALS.

Section 787A(d) (42 U.S.C. 295g-7a(d)) is amended by striking out "and 1991" and inserting in lieu thereof "through 1996".

SEC. 149. MINORITY FACULTY DEVELOPMENT TRAINING FELLOWSHIPS.

Part F of title VII is amended by inserting after section 787A (42 U.S.C. 295g-7a) the following new section:

"SEC. 787B. MINORITY FACULTY DEVELOPMENT TRAINING FELLOWSHIPS.

"(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatric medicine, pharmacy, public health, health administration and other public or private nonprofit health or educational entities of the type described in section 701, to assist such schools in increasing the number of underrepresented minority faculty members at such schools.

"(b) APPLICATIONS.—To be eligible to receive a grant or contract under this section a school shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that amounts received under such a grant or contract will be used to award a fellowship to a new member of the faculty of such school who meets the requirements of subsections (c) and (d), that shall include a stipend in an amount that does not exceed 50 percent of the regular salary of a similar faculty member position up to a maximum of $30,000.

"(c) ELIGIBILITY.—To be eligible to receive a grant or contract under subsection (a), an applicant shall demonstrate to the Secretary that such applicant has or will have the ability to—

"(1) identify, recruit and select individuals from underrepresented minorities in health professions who have the potential for teaching, administration, or conducting research at a health professions institution;

"(2) provide such individuals with the skills necessary to enable them to secure a tenured faculty position at such institution, which may include training with respect to pedagogical skills, program administration, the design and conduct of research, grants writing, and the preparation of articles suitable for publication in peer reviewed journals;

"(3) provide mentoring or other services designed to assist such minorities in their preparation for an academic career; and

"(4) provide health services to rural or medically underserved populations.

"(d) REQUIREMENTS.—To be eligible to receive a grant or contract under this section an applicant shall—

"(1) provide an assurance that such applicant will make available (directly through cash donations) $1 for every $1 of Federal funds received under this section for the fellowship;

"(2) provide an assurance that institutional support will be provided for the individual for a second year at a level that is not less than the total amount of Federal and institutional funds provided in the year in which the grant or contract was awarded;

"(3) provide an assurance that the individual that will receive the fellowship will be a member of the faculty of the applicant school; and

"(4) provide an assurance that the individual that will receive the fellowship will have, at a minimum, appropriate advanced preparation (such as a master's or doctoral degree) and special skills necessary to enable such individual to teach and practice.

"(e) DEFINITION.—As used in this section, the term 'minority' means an individual desiring to participate in a specific health profession in which there is an underrepresentation of racial or ethnic pracitioners in such specific health profession.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $2,000,000 in each of the fiscal years 1992 through 1996.".

SEC. 150. SPECIAL DEMONSTRATION PROJECTS.

(a) GRANTS FOR STUDIES AND DEMONSTRATIONS.—Subsection (a) of section 788 (42 U.S.C. 295g-8(a)) is amended to read as follows:

"(a) GRANTS FOR STUDIES AND DEMONSTRATIONS.—The Secretary may award grants to and enter into contracts with public or nonprofit private entities to enable such entities to conduct studies and demonstration projects related to—

"(1) the improvement of health professions education, including studies and projects to determine—

"(A) the effectiveness of various methods of training health professionals (including nurses) to practice in primary care specialties or to provide services to underserved populations;

"(B) the merits of major curricular innovations (such as the increased integration of undergraduate and graduate medical education and various approaches to interdisciplinary training programs);

"(C) the effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location of practice;

"(D) the effectiveness of education targeted toward meeting the needs of particular population groups (such as the elderly, women, children, adolescents, the disabled, individuals residing in rural areas);

"(E) the impact of student indebtedness on specialty choice and practice location; and

"(F) the impact of minority health professions programs in minority and majority schools on recruitment, retention, and practice choices of minority health personnel;

"(2) the assurance of the competency of health personnel, including studies and projects to determine—

"(A) the effect on quality and service of adopting alternative approaches to the licensure and credentialing of health personnel;

"(B) the efficacy of different approaches to providing for continuing competency of such personnel;

"(C) the effectiveness and variation of State licensing authorities in identifying problem providers and undertaking disciplinary actions;

"(D) the usefulness of various types of certification programs in assuring the quality of health personnel; and

"(E) the appropriate differentiation of functions of various types and levels of health professions personnel.".

(b) CHIROPRACTIC TRAINING AND DEMONSTRATION PROJECT.—Subsection (b) of section 788 (42 U.S.C. 295g-8) is amended to read as follows:

"(b) CHIROPRACTIC TRAINING AND DEMONSTRATION PROJECT.

"(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with, colleges and universities of chiropractic to assist such colleges and universities in—

"(A) meeting the costs of projects designed—

"(i) to plan, develop, establish, expand and operate advanced degree programs or postdoctoral programs in chiropractic for the advanced specialty training of chiropractic health care professionals who plan to teach and conduct research in chiropractic;

"(ii) to support interdisciplinary training programs that promote the effectiveness of chiropractic in prevention, diagnosis and treatment of chronic lower back, musculoskeletal, and spinal problems;

"(iii) to develop innovative models to link chiropractic, chiropractic education and chiropractic research;

"(iv) to identify, recruit and train individuals from disadvantaged backgrounds;

"(v) to improve and strengthen the curriculum of such colleges or universities by including or expanding the knowledge and practice concerning disease prevention and health promotion; or

"(vi) to develop new and innovative methods to train chiropractors to provide services in rural and medically underserved areas; or

"(B) establishing a demonstration project to develop the collaboration of a college or university of chiropractic and a traditional health professions academic institution training program, including medical schools. The demonstration project referred to in subparagraph (B) shall address the manner in which to effectively integrate chiropractic into the traditional health care provider systems and medical education programs, with particular emphasis on the reduction of health care costs for lower and spinal-related back problems.

"(2) METHODS.—A recipient of funds under paragraph (1) may use various methods in carrying out the projects described in subparagraphs (A) and (B) of such paragraph, including—

"(A) the distribution of stipends to students and faculty of eligible applicants;

"(B) the establishment of a post-doctoral fellowship program;

"(C) the training of faculty in preparation for graduate and post-doctoral education and training activities; and

"(D) the purchase of equipment and training materials where the need for such equipment due to unique characteristics of the project is demonstrated by the recipient.

"(3) ADMINISTRATION.—An applicant for a grant or contract under this subsection shall not use in excess of five percent of the funds made available to such applicant under this subsection for administrative expenses and not more than five percent of such funds for indirect costs.

"(4) ELIGIBLE APPLICANTS.—To be eligible to receive funds under paragraph (1)(A), an applicant for a grant or contract shall be an accredited college or university of chiropractic. Such eligible applicants shall not include for-profit entities, either directly or through a subcontract or subgrant. Applications for a grant or contract under paragraph (1)(B) shall be jointly submitted by a college or university of chiropractic and by one or more of the following:—

"(A) State or local health departments;

"(B) public and nonprofit colleges, universities, schools of allopathic or osteopathic medicine; or

"(C) public or nonprofit hospitals.

"(5) PEER REVIEW.—

"(A) IN GENERAL.—Each applicant for a grant or contract under this subsection shall be submitted to a peer review group for an evaluation of the merits of the proposals contained in the application.

"(B) ESTABLISHMENT.—The Secretary shall establish such peer review groups as may be

necessary to carry out subparagraph (A). The Secretary shall make appointments of individuals to the peer review group from among appropriately qualified individuals who are not officers or employees of the United States. The peer review group shall consist of not more than six members, at least three of which shall be chiropractors. Of such chiropractor members—

"(A) one shall represent the Consortium for Chiropractic Research;

"(B) one shall represent a college or university of chiropractic; and

"(C) one shall be a practicing chiropractor.

"(6) EXPEDITING AWARD OF GRANTS/CONTRACTS.—The Secretary shall expedite the awarding of grants or contracts to eligible applicants under this subsection. To the maximum extent practicable, such grants or contracts shall be awarded by the Secretary not later than 120 days after the date of the receipt of the final recommendation of the peer review group established under paragraph (5) concerning applications submitted under this subsection.

"(7) REPORT.—Not later than April 1, 1995, the Secretary shall prepare and submit to the Committee on Labor and Human Resources and the Subcommittee on Labor, Health, and Human Services, Education and Related Agencies of the Committee on Appropriations of the Senate and the Committee on Energy and Commerce and the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations of the House of Representatives, a comprehensive report summarizing the applications that were submitted and the grants and contracts that were awarded under this subsection, and the effectiveness of programs established using such grants or contracts.".

(c) PREVENTIVE MEDICINE.—

(1) REPEAL.—Section 793 (42 U.S.C. 295h-1c) is repealed.

(2) TRANSFER OF PROVISIONS WITH TRAINING AND PREVENTIVE MEDICINE.—

(A) IN GENERAL.—Subsection (c) of section 788 (42 U.S.C. 295g-8)—

(i) is transferred to subpart I of part G of title VII;

(ii) is redesignated as section 793(a); and

(iii) is inserted after section 792.

(B) REVISION.—Section 793 (as transferred and added by subparagraph (A), is amended—

(i) by inserting immediately preceding subsection (a) the following:

"SEC. 793. TRAINING IN PREVENTIVE MEDICINE.";

(ii) in the subsection heading of subsection (a) to read as follows:

"(a) TRAINING GRANTS AND CONTRACTS.—"; and

(iii) by adding at the end thereof the following new subsection:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $6,000,000 in fiscal year 1992, $7,000,000 in fiscal year 1993, $8,000,000 in fiscal year 1994, $9,000,000 in fiscal year 1995, and $10,000,000 in fiscal year 1996.".

(d) PHYSICIAN ASSISTANTS.—

(1) TRANSFER OF PROVISIONS WITH TRAINING AND PREVENTIVE MEDICINE.—Subsection (d) of section 788 (42 U.S.C. 295g-8)—

(A) is transferred to part F of title VII;

(B) is redesignated as section 786A(a); and

(B) is inserted after section 786.

(2) REVISION.—Section 786A (as transferred and added by paragraph (1), is amended—

(A) by inserting immediately preceding subsection (a) the following:

"SEC. 786A. PHYSICIAN ASSISTANT PROGRAMS.";

(B) in the subsection heading of subsection (a) to read as follows:

"(a) GRANTS AND CONTRACTS.—"; and

(C) by adding at the end thereof the following new subsection:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.".

(e) PODIATRIC MEDICINE.—Section 788 (42 U.S.C. 295g-8) is amended by redesignating subsection (e) as subsection (c).

(f) AUTHORIZATION OF APPROPRIATIONS.—Subsection (f) of section 788 (42 U.S.C. 295g-8(f)) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) SUBSECTION (a).—There are authorized to be appropriated to carry out subsection (a), $5,000,000 for each of the fiscal years 1992 through 1996.

"(2) SUBSECTION (b)(1).—

"(A) SUBPARAGRAPH (A).—There are authorized to be appropriated to carry out subsection (b)(1)(A), $1,000,000 for each of the fiscal years 1992 through 1996.

"(B) SUBPARAGRAPH (B).—There are authorized to be appropriated to carry out subsection (b)(1)(B), $500,000 for each of the fiscal years 1992 through 1994.

"(4) SUBSECTION (c).—There are authorized to be appropriated to carry out subsection (c), $1,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 151. AIDS EDUCATION AND TRAINING.

(a) IN GENERAL.—Section 788A (42 U.S.C. 295g-8b) is amended—

(1) in subsection (a)—

(A) by inserting "and other public or private nonprofit health or educational entities" after "science centers" in the matter preceding paragraph (1); and

(B) by striking out paragraphs (1) through (3) and inserting in lieu thereof the following new paragraphs:

"(1) to train health professions faculty to teach health professions practitioners and students to provide for the health care needs of individuals infected with the human immunodeficiency virus and individuals who are at high risk of contracting such infection;

"(2) with respect to improving skills in the diagnosis, treatment, and prevention of such infection, to educate and train health professions practitioners and students; and

"(3) to develop and disseminate health professions curricula and related resource materials relating to the care and treatment of individuals infected with the human immunodeficiency virus and to the prevention of such infection in individuals who are at high risk of contracting such virus.";

(2) in subsection (b)—

(A) by striking out "treatment for minority individuals with acquired immune deficiency syndrome" in paragraph (1), and inserting in lieu thereof "health care to minority individuals who are infected with the human immunodeficiency virus"; and

(B) by striking out "treatment for individuals with acquired immune deficiency syndrome" in paragraph (2), and inserting in lieu thereof "health care to individuals who are infected with the human immunodeficiency virus and other individuals who are at high risk of contracting such infection"; and

(3) in subsection (e), by striking out "such sums" and all that follows through the end thereof and inserting "$21,000,000 for fiscal year 1992, $23,000,000 for fiscal year 1993, $25,000,000 for fiscal year 1994, $27,000,000 for fiscal year 1995, and $29,000,000 for fiscal year 1996.".

(b) TRANSFER.—Subsection (f)(5) of section 788A (42 U.S.C. 295g-8b(f)(5)) is amended by striking out "such sums" and all that follows through the end thereof and inserting "$6,000,000 for fiscal year 1992, $8,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $12,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.".

SEC. 152. GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.

(a) EDUCATION.—Section 789(a)(1) (42 U.S.C. 295g-9(a)(1)) is amended by striking out "and programs referred to in section 701(8)" and inserting in lieu thereof ", programs referred to in section 701(5) and schools referred to in section 853".

(b) TRAINING.—Section 789(b) (42 U.S.C. 295g-9(b)) is amended—

(1) in paragraph (1), by inserting ", geriatric psychiatry," after "geriatric medicine";

(2) in paragraph (2)—

(A) by inserting "or geriatric psychiatry" after "geriatric medicine" in subparagraph (A); and

(B) by inserting "or in a department of geriatric psychiatry" after "department of geriatrics"; and

(3) in paragraph (3)(B)—

(A) by striking out "1-year or" in the matter preceding clause (i); and

(B) by striking out clause (ii) and inserting in lieu thereof the following new clause:

"(ii) dentists who have demonstrated a commitment to an academic career and who have completed postdoctoral dental training, including postdoctoral dental education programs or who have relevant advanced training or experience.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 789(c) (42 U.S.C. 295g-9(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $26,000,000 for each of the fiscal years 1992 through 1996.".

Subtitle E—Personnel in Public Health, Health Administration and Allied Health

SEC. 161. SPECIAL PROJECTS, SCHOOLS OF PUBLIC HEALTH.

(a) TRANSFER OF PROVISIONS.—Section 790A (42 U.S.C. 295g-11)—

(1) is transferred to subpart I of part G of title VII;

(2) is redesignated as section 794; and

(3) is inserted after section 793.

(b) REVISION.—Section 794 (as transferred and added by subsection (a), is amended—

(1) in subsection (a)—

(A) by striking out "schools of public health" and all that follows through "evaluating projects" in the matter preceding paragraph (1) and inserting in lieu thereof "accredited schools of public health for the costs of planning, developing, demonstrating, operating, and evaluating projects to accomplish the Healthy People 2000: National Health Promotion and Disease Prevention Objectives, including projects";

(B) by striking out "and quality in health care." in paragraph (4) and inserting in lieu thereof "to preventive services and quality in health care;"; and

(C) by inserting after paragraph (4), the following:

"which shall provide graduate students with comprehensive knowledge and skills, recruit candidates for graduate education in preparation for public service in specialties that are in short supply, strengthen existing departments of instruction to cope with specific and especially severe health problems, strengthen continuing education and non-degree teaching programs, and establish firm

links with governmental and private health agencies and institutions as sites for field practice training."; and

(2) in subsection (d), by striking out "$1,500,000" and all that follows through the end thereof and inserting "$10,000,000 for fiscal year 1992, $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.".

SEC. 162. GRADUATE PROGRAMS.

(a) HEALTH ADMINISTRATION PROGRAMS.—Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "$3,250,000" and all that follows through the end thereof and inserting "$1,700,000 for each of the fiscal years 1992 through 1996.".

(b) HEALTH ADMINISTRATION TRAINEESHIPS.—Section 791A(c) (42 U.S.C. 295h-1a) is amended by striking out "$2,500,000" and all that follows through the end thereof and inserting "$1,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 163. PUBLIC HEALTH TRAINEESHIPS.

(a) GRANTS.—Subsection (a) of section 792 (42 U.S.C. 295h-1b(a)) is amended to read as follows:

"(a)(1) The Secretary may make grants to—

"(A) accredited schools of public health; and

"(B) other public or nonprofit institutions that provide graduate or specialized training in public health and that are not eligible to receive a grant under section 791(A); to provide traineeships to increase the number of graduate students preparing to serve the Healthy People 2000: National Health Promotion and Disease Prevention Objectives.

"(2) Traineeships under paragraph (1) shall be awarded primarily to—

"(A) minority and disadvantaged students;

"(B) physicians, scientists and engineers who are determined by the Secretary to be in short supply in the public health field;

"(C) students in other areas of severe personnel shortage such as epidemiology and preventive medicine; and

"(D) students committed to service that involves severe health problems that are targeted in the Healthy People 2000: National Health Promotion and Disease Prevention Objectives, including AIDS prevention and control, maternal and child health, drug abuse, infant mortality, injury prevention and control, environmental protection and chemical hazards, including toxic wastes, chronic disease prevention and control, health problems in minority populations, health problems of the elderly, migrants and immigrants, and specific health promotion programs in underserved areas.".

(b) PREFERENCES.—Subsection (b) of section 792 (42 U.S.C. 295h-1b(b)) is amended by striking out paragraphs (2) through (4) and inserting in lieu thereof the following new paragraph:

"(2) When considering applications submitted for grants under this section, the Secretary shall give preference to—

"(A) projects that provide for increased involvement of State and local governments in the planning and support of training initiatives to help mobilize State and local financial support for needed activities as well as to enhance the responsiveness of educational and training programs to State, local and regional health personnel needs; and

"(B) projects that can demonstrate effectiveness in meeting priority health care needs of underserved populations, especially public health, environmental health and allied health training.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Subsection (c) of section 792 (42 U.S.C. 295h-1b(c)) is amended by striking out "$7,500,000" and all that follows through the end thereof and inserting "$10,000,000 for fiscal year 1992, $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.".

SEC. 164. PROJECT GRANTS AND CONTRACTS.

Section 796 (42 U.S.C. 295h-5) is amended to read as follows:

"SEC. 796. PROJECT GRANTS AND CONTRACTS.

"(a) PROJECTS RELATED TO ALLIED HEALTH PROFESSIONS WITH PERSONNEL SHORTAGES.—The Secretary may award grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with increasing program enrollments or establishing programs that will increase the number of individuals in those allied health professions with demonstrated personnel shortage (including occupational therapy, physical therapy, respiratory therapy, clinical laboratory personnel and dental hygienists) to provide individuals to serve in a medically underserved or rural communities (as defined in section 711(c)). Programs and activities funded under this section may include—

"(1) the expansion of program enrollments in those professions with the greatest shortages and whose services are most needed by the elderly;

"(2) projects to provide rapid transition training programs in allied health fields to individuals who have baccalaureate degrees in health-related sciences;

"(3) the establishment of innovative outreach programs that link academic resources with rural clinical settings to establish community-based allied health training programs;

"(4) the development of interdisciplinary training programs that promote formal education and professional certification of allied health professionals in more than one discipline;

"(5) projects that provide career advancement training for practicing allied health professionals; and

"(6) projects that by expanding or establishing clinical training sites for allied health professionals in medically underserved or rural communities will increase the number of individuals so trained.

"(b) STRENGTHENING ALLIED HEALTH PROFESSIONS.—The Secretary may award grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with the planning, development, establishment and operation of projects relating to—

"(1) the development of a curriculum that will emphasize knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics;

"(2) the expansion or establishment of interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;

"(3) the expansion or establishment of demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research; and

"(4) the improvement and strengthening of the effectiveness of allied health administration, program directors, faculty, and clinical faculty.

"(c) TRAINING CENTERS FOR ALLIED HEALTH PROFESSIONS.—

"(1) GRANTS AND CONTRACTS.—The Secretary may award grants to and enter into contracts with training centers for allied health professions to assist such centers in meeting the costs associated with projects designed to provide financial assistance in the form of traineeships to students—

"(A) pursuing a career in the allied health fields that have demonstrated personnel shortages; and

"(B) who agree upon completion of their training program to practice in a medically underserved or rural community (as defined in section 711(c)).

"(2) USE OF FUNDS.—Amounts provided under grants and contracts awarded under paragraph (1) shall be utilized to assist in the payment of the costs associated with tuition, fees and such other stipends as the Secretary may consider necessary.

"(d) APPLICATION.—

"(1) REQUIREMENT.—No grant may be awarded or contract entered into under subsections (a), (b), or (c) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) PREFERENCE.—In considering an application submitted for a grant under this section, the Secretary shall give preference to applicants that plan to increase their first-year enrollments by not less than 10 percent over the number of such enrollments in 1991.

"(3) AMOUNT.—The amount of any grant awarded under subsections (a), (b), or (c) shall be determined by the Secretary.

"(e) ELIGIBLE ENTITIES.—For purposes of this section, the term 'eligible entities' means entities that are—

"(1) public or private nonprofit schools, universities, or other educational entities that provide for allied health personnel education and training and that meet such standards as the Secretary may by regulation prescribe; or

"(2) public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsections (a), (b), and (c).

"(f) AUTHORIZATION OF APPROPRIATION.—

"(1) IN GENERAL.—For the purpose of carrying out activities under this section, there are authorized to be appropriated $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.

"(2) AVAILABILITY OF AMOUNTS.—Of the amounts appropriated pursuant to paragraph (1) for each fiscal year, the Secretary shall make available not less than 70 percent of such amounts in each such fiscal year to carry out subsection (a), not more than 10 percent of such amounts in each such fiscal year to carry out subsection (b), and not less than 20 percent of such amounts in each such fiscal year to carry out subsection (c).".

SEC. 165. ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

Section 797 (42 U.S.C. 295h-6) is amended to read as follows:

"SEC. 797. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

"(a) GRANTS.—The Secretary may award grants to and enter into contracts with training centers for allied health professions to assist such centers in meeting the costs associated with projects designed to—

"(1) plan, develop, establish or expand postbaccalaureate programs for the advanced training of allied health professionals in demonstrated shortages who commit to teaching in an allied health training program; and

"(2) provide financial assistance, in the form of traineeships or fellowships, to

postbaccalaureate students who are participants in any such program and who commit to teaching in an allied health discipline.

"(b) PREFERENCE.—In awarding grants under subsection (a), the Secretary shall give preference to projects that can demonstrate that—

"(1) not less than 50 percent of the graduates of such schools or programs during the preceding 2-year period are engaged as full-time teaching faculty in an allied health shortage specialty; or

"(2) the number of the graduates of such schools or programs that are practicing as full-time teaching faculty in an allied health shortage specialty has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.

"(c) LIMITATION.—The Secretary shall limit grants and contracts awarded or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—

"(1) the most significant national or regional shortages of practitioners including clinical laboratory technologists, respiratory therapists, dental hygienists;

"(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; or

"(3) a significant role in the care and rehabilitation of patients who are elderly or disabled including physical therapists and occupational therapists.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out activities under this section, there are authorized to be appropriated $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.

"(e) AVAILABILITY OF FUNDS.—Amounts appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1996.".

SEC. 166. DIVISION OF ALLIED HEALTH.

Section 798 (42 U.S.C. 295h–7) is amended to read as follows:

"SEC. 798. DIVISION OF ALLIED HEALTH.

"(a) ESTABLISHMENT.—The Secretary shall establish, within the Bureau of Health Professions, a division to be known as the Division of Allied Health (hereafter referred to in this section as the 'Division').

"(b) PURPOSE.—It shall be the purpose of the Division to exercise responsibility over allied health programs administered by the Secretary under this title, including oversight over the Advisory Commission on Allied Health and other related matters concerning allied health professions.".

Subtitle F—Miscellaneous Programs

SEC. 171. COUNCIL ON GRADUATE MEDICAL EDUCATION.

Section 799 (42 U.S.C. 295i) is amended—

(1) in subsection (a)(1)-

(A) by redesignating subparagraphs (C) through (F) as subparagraphs (F) through (I), respectively;

(B) by inserting after subparagraph (B) the following new subparagraphs:

"(C) the adequacy of current and future supplies of primary care physicians to serve health professional shortage areas and medically underserved areas and populations as designated in section 338B;";

"(D) the effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location practice;

"(E) the inclusion of health promotion and disease and disability prevention as a part of graduate medical education, in order to address those objectives contained in Healthy People 2000: National Health Promotion and Disease Prevention Objectives relevant to the provision of preventive services and education of health professionals;";

(C) in subparagraph (G) (as so redesignated) by striking out "(B), and (C)" and inserting in lieu thereof "through (F)"; and

(D) in subparagraph (F) (as so redesignated) by striking out "(B), and (C)" and inserting in lieu thereof "(C), and (D)";

(2) in subsection (b)(4), by inserting "(including those physicians practicing in a medically underserved or rural community (as defined in section 711(c))"; and

(3) in subsection (k), by striking out "1989, 1990, and 1991" and inserting in lieu thereof "1992 through 1996".

SEC. 172. RURAL HEALTH TRAINING PROGRAM.

(a) PART HEADING.—The heading for part I of title VII (42 U.S.C. 295j et seq.) is amended to read as follows:

"Part I—Rural Health Training Program".

(b) TRAINING PROGRAM.—Section 799A (42 U.S.C. 295j(c)) is amended

(1) by striking out the section heading and inserting in lieu thereof the following:

"SEC. 799A. RURAL HEALTH TRAINING PROGRAM.";

(2) in subsection (b)(1)—

(A) by striking out the period in subparagraph (E); and

(B) by adding at the end thereof the following new subparagraphs:

"(F) conduct research concerning the social and psychological processes involved in health-related decisionmaking, the perception of assessments of risk, and health risk reduction relating to individuals in rural areas; and

"(G) design training models for rural areas that focus on illness prevention and health promotion that may include programs in areas such as—

"(i) rehabilitation;

"(ii) health concerns of minorities or economically disadvantaged individuals;

"(iii) environmental health;

"(iv) women's health;

"(v) infant, prenatal, and developmental care;

"(vi) adolescent health;

"(vii) the process of health-care seeking, decisionmaking, and compliance behavior;

"(viii) developmental life span perspective;

"(ix) rural occupational health and safety;

"(x) geriatrics; and

"(xi) other areas determined to be appropriate by the Secretary.";

(3) in subsection (b)(2)—

(A) by adding "or" at the end of subparagraph (B);

(B) by striking out the semicolon in subparagraph (C) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (D);

(4) in subsection (b)(3), by adding at the end thereof the following new subparagraph:

"(C) LIMITATION.—An institution that receives a grant under this section shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (b)(1) in the fiscal year preceding the year for which the grant is received.";

(5) in subsection (c)—

(A) by inserting "clinical" before "psychology" and before "social work"; and

(B) by inserting "marriage and family therapy" after "social work";

(6) by striking out subsection (e) and redesignating subsections (f) through (h) as subsections (e) through (g), respectively;

(7) in subsection (f) (as so redesignated) to read as follows:

"(f) DEFINITIONS.—As used in this section:

"(1) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' has the same meaning given such term in section 711(c).

"(2) RURAL.—The term 'rural' refers to geographic areas that are located outside of standard metropolitan statistical areas."; and

(8) in subsection (g) (as so redesignated) to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 in fiscal year 1992, $11,000,000 in fiscal year 1993, $12,000,000 in fiscal year 1994, $13,000,000 in fiscal year 1995, and $14,000,000 in fiscal year 1996.".

SEC. 173. CREATION OF ADVISORY COUNCIL ON MEDICAL LICENSURE.

Title VII (42 U.S.C. 295j et seq.) is amended by adding at the end thereof the following new part:

"Part J—Advisory Council on Medical Licensure

"SEC. 799D. CREATION OF ADVISORY COUNCIL ON MEDICAL LICENSURE.

"(a) ADVISORY COUNCIL.—

"(1) IN GENERAL.—The Secretary of Health and Human Services shall establish a Council to be known as the 'Council on Medical Licensure'.

"(2) DUTIES.—

"(A) ADVICE.—The Council shall provide advice to the Secretary regarding the establishment and operation of the system established by the American Medical Association for the purpose of verifying and maintaining information regarding the qualifications of individuals to practice medicine, and advice regarding the establishment and operation of any similar situation.

"(B) ACTIVITIES.—In carrying out subparagraph (A), the Council shall—

"(i) monitor and review the operation of the private credentials verification system and develop recommendations regarding methods by which the system can be improved, and make recommendations for the establishment of nondiscriminatory policies and practices for the operation of the system;

"(ii) determine to what extent the system has expedited and otherwise improved the efficiency and equitable operation of the process in the States for licensing individuals to practice medicine who previously have been licensed by another State (commonly known as licensure by endorsement); and

"(iii) review the policies and practices of the States (including any relevant laws) in licensing international medical graduates and in licensing domestic medical graduates, and determine the effects of the policies.

"(3) COMPOSITION.—

"(A) IN GENERAL.—The Council shall be composed of 13 voting members selected in accordance with subparagraphs (B) and (C).

"(B) HRSA.—The Secretary shall designate one official or employee of the Health Resources and Services Administration to serve as a member of the Council. The official or employee so designated shall be a graduate of a medical school located in the United States.

"(C) APPOINTMENTS.—From among individuals who are not officers or employees of the Federal Government, the Secretary shall, subject to subparagraph (D), make appointments to the Council as follows:

"(i) one individual from an organization representing State authorities that license individuals to practice medicine;

"(ii) one individual representing a national organization that represents practicing physicians in the United States;

"(iii) one individual representing an organization in the United States that tests international medical graduates regarding medical knowledge;

"(iv) one individual representing an organization in the United States that tests individuals who are graduates of medical schools located in the United States regarding medical knowledge;

"(v) one physician representing a medical school or medical schools in the United States;

"(vi) one individual who is a representative of the private credentials verification system;

"(vii) one individual who is a graduate of a medical school in the United States, licensed to practice medicine in a State for at least 20 years, and who has applied for and received licensure by endorsement within the past 5 years;

"(viii) one individual who is an international medical graduate and who is representing a coalition representing international medical graduates;

"(ix) one individual who is a native of the United States who is a graduate of a medical school located in a country other than the United States or Canada;

"(x) one international medical graduate who is a native of a country located in southern or eastern Asia (including southern or eastern Asian islands), and who is a graduate of a medical school located in such a country;

"(xi) one international medical graduate who is a native of a European country and who is a graduate of a medical school located in such a country; and

"(xii) one international medical graduate who is a native of a country located in a Latin American or Caribbean country and who is a graduate of a medical school located in such a country.

"At least one member appointed by the Secretary should be practicing in a medically underserved or rural areas as defined in Sec. 711(c)."

"(D) CONSULTATION.—The Secretary shall make the appointments described in subparagraph (C) only after consultation with relevant organizations and coalitions.

"(4) DURATION.—The Council shall continue in existence until the submission of the report required under paragraph (6), or not later than September 30, 1995, whichever is earlier.

"(5) ANNUAL REPORT.—The Council shall annually submit to the Secretary, the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report describing the findings and recommendations of the Council pursuant to the duties established in paragraph (2). The Secretary shall provide a copy of each such report to the private credentials verification system.

"(6) FINAL REPORT AND RECOMMENDATIONS.—

"(A) IN GENERAL.—Not later than September 30, 1995, the Council shall prepare and submit to the Secretary, the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a final report that shall include recommendations regarding activities conducted pursuant to paragraph (2), that shall include a determination as to whether the private credentials verification system is operating with a reasonable degree of efficiency and whether the policies and practices of the system are nondiscriminatory.

"(B) RECOMMENDATIONS.—If the Secretary determines that the private credentials verification system fails to meet either of the criteria with respect to the determination described in subparagraph (A), the Secretary, in consultation with the Council and relevant organizations, shall make a recommendation concerning the establishment of an alternative private system and concerning the specifications for such a system as described in paragraph (2)(B).

"(b) STUDY OF STATE LICENSURE PROCESS.—

"(1) IN GENERAL.—With respect to the licensure by the States of individuals to practice medicine, the Secretary, in consultation with the Council, shall annually conduct a study of not less than 10 States for the purpose of determining—

"(A) the average length of time required for the States involved to process the licensure applications of domestic medical graduates and the average length of time required for the States to process the licensure applications of international medical graduates, and the reasons underlying any significant differences in such times; and

"(B) the percentage of licensure applications from domestic medical graduates that are approved and the percentage of licensure applications from graduates of international medical schools that are approved, and the reasons underlying any significant differences in such percentages.

"(2) REPORT.—The Secretary each fiscal year shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the findings made as a result of the study required in paragraph (1) for the fiscal year.

"(c) DEFINITIONS.—For purposes of this section:

"(1) COUNCIL.—The term "Council" means the Council on Medical Licensure established in subsection (a)(1).

"(2) DOMESTIC MEDICAL GRADUATE.—The term "domestic medical graduate" means an individual who is a graduate of a medical school located in the United States or Canada.

"(3) INTERNATIONAL MEDICAL GRADUATE.—The term "international medical graduate" means an individual who is a graduate of a medical school located in a country other than the United States or Canada.

"(4) MEDICAL SCHOOL.—The term "medical school" means a school of medicine or a school of osteopathic medicine, as such terms are defined in section 701(2).

"(5) NONDISCRIMINATORY.—The term "nondiscriminatory" with respect to policies and practices means that such policies and practices do not discriminate on the basis of race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation.

"(6) PRIVATE CREDENTIALS VERIFICATION SYSTEM.—The term "private credentials verification system" means the system described in subsection (a)(2)(A) and established by the American Medical Association.

"(7) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

"(8) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

"(c) The Secretary shall insure that necessary rsources are made available to implement the provisions of this section.".

Subtitle G—Repealers and Technical and Conforming Amendments

SEC. 181. REPEAL OF FACILITIES CONSTRUCTION GRANT PROGRAM.

Part B of title VII (42 U.S.C. 293 et seq.) is repealed.

SEC. 182. TECHNICAL AND CONFORMING AMENDMENTS.

(a) PUBLIC HEALTH SERVICE ACT.—Title VII is amended—

(1) in section 701(3) (as so redesignated) by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(2) in section 721(b)(1) (42 U.S.C. 293a(b)(1)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(3) in section 731(a)(1)(A)(iii) (42 U.S.C. 294d(a)(1)(A)(iii)), by striking out "tuition," and inserting in lieu thereof "tuition and ";

(4) in section 740(c)(1)(B) (42 U.S.C. 294m(c)(1)(B)), by striking out "such paragraph" and inserting in lieu thereof "such subparagraph";

(5) in section 741(c) (42 U.S.C. 294n(c)), by striking out "podiatry, optometry," and inserting in lieu thereof "podiatric medicine, optometry, or";

(6) in section 741(f)(1)(B) (42 U.S.C. 294n(f)(1)(B)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(7) in section 760(a)(1)(A) (42 U.S.C. 294bb(a)(1)(A)), by striking out "individuals";

(8) in section 787(b)(1) (42 U.S.C. 295g-7(b)(1)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(9) in section 787A(a) (42 U.S.C. 295g-7a(a)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(10) in section 788(b)(1)(B) (42 U.S.C. 295g-8(b)(1)(B)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine";

(11) in the first sentence of section 790(5)(A) (42 U.S.C. 295g-10(5)(A)), by striking out "evaluation." and inserting in lieu thereof "application.";

(12) in section 797(a)(2) (42 U.S.C. 295h-6(a)(2)), by striking out "post doctoral" and inserting in lieu thereof "postdoctoral"; and

(13) in section 799A(c) (42 U.S.C. 295j(c)), by striking out "podiatry" and inserting in lieu thereof "podiatric medicine"

(b) IMMIGRATION AND NATIONALITY ACT.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended—

(1) in subsection (a)(5)(B)—

(A) by striking out "passed parts I" and all that follows through "Services)" in the first sentence and inserting in lieu thereof "passed medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law"; and

(B) by striking out "parts I and II of the National Board of Medical Examiners examination" in the second sentence and inserting in lieu thereof "medical science examinations";

(2) in subsection (a)(32)—

(A) by striking out "passed parts I" and all that follows through "Services)" in the first sentence and inserting in lieu thereof "passed medical science examinations administered by the Educational Commission

for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law"; and

(B) by striking out "parts I and II of the National Board of Medical Examiners examination" in the third sentence and inserting in lieu thereof "medical science examinations"; and

(3) in subsection (j)(1)(B)—

(A) by striking out "passed parts I" and all that follows through "Services)" in the first sentence and inserting in lieu thereof "passed medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law"; and

(B) by striking out "parts I and II of the National Board of Medical Examiners examination" in the second sentence and inserting in lieu thereof "medical science examinations".

(c) AMENDMENTS RELATING TO DEFINITIONS.—The Act is amended—

(1) in section 2(f) (42 U.S.C. 201(f)), by striking out "701(9),";

(2) in section 737(4) (42 U.S.C. 294j(4)), by striking out "701(10)" and inserting in lieu thereof "701(6)";

(3) in section 747 (42 U.S.C. 294q-3), by striking out "701(5)" and inserting in lieu thereof "701(3)";

(4) in section 781(c)(3) (42 U.S.C. 295g-1(c)(3)), by striking out "(as defined in section 701(7))";

(5) in section 782(c)(2)(A)(i) (42 U.S.C. 295g-2(c)(2)(A)(i)), by striking out "701(4)" and inserting in lieu thereof "701(2)";

(6) in section 788(d)(1) (42 U.S.C. 295g-8(d)(1)), by striking out "701(8)" and inserting in lieu thereof "701(5)";

(7) in section 789(a)(1) (42 U.S.C. 295g-9(a)(1)), by striking out "701(4) or 701(10) and programs referred to in section 701(8)" and inserting in lieu thereof "701(2) or 701(6) and programs referred to in section 701(5)";

(8) in section 1706(d) (42 U.S.C. 300u-5(d)), by striking out "701(4)" and inserting in lieu thereof "701(2)"; and

(9) in section 1910(c)(1) (42 U.S.C. 300w-9(c)(1)), by striking out "701(4)" and inserting in lieu thereof "701(2)".

TITLE II—PROVISIONS RELATING TO TITLE VIII

SEC. 201. SHORT TITLE.

This title may be cited as the "Nurse Education Improvement and Reauthorization Act of 1991".

SEC. 202. SPECIAL PROJECTS GRANTS AND CONTRACTS.

Section 820 (42 U.S.C. 296k) is amended-

(1) in subsection (a)—

(A) by inserting "serving in medically underserved or rural communities as defined in sec. 711(c)" before the semicolon in paragraph (1);

(B) by striking out ", through geriatric health education centers and other entities," in paragraph (2);

(C) by striking out "through telecommunications via satellite" in paragraph (3)(B); and

(D) by adding "or" at the end of paragraph (4);

(E) by inserting after "settings" in paragraph (5) the following: ", including providing nursing care as a component of nursing training in one or more medically underserved or rural communities (as defined in section 711(c))";

(F) by striking out "; or" at the end of paragraph (5) and inserting in lieu thereof a period; and

(G) by striking out paragraph (6);

(2) by striking out subsection (b);

(3) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively;

(4) in subsection (b)(1) (as so redesignated), by inserting "and innovative nursing practice models in primary care and long-term care settings" after "nursing practice models" in paragraph (1);

(5) in subsection (b)(2) (as so redesignated)—

(A) by striking out "hospital" each place that such appears;

(B) by striking out "and" at the end of subparagraph (B);

(C) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(D) by adding at the end thereof the following new subparagraph:

"(D) to evaluate the effectiveness of providing incentives to practice in rural and underserved areas."; and

(6) in subsection (f) (as so redesignated), to read as follows:

"(f) For the purpose of carrying out this section, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 203. ADVANCED NURSE EDUCATION PROGRAMS.

Section 821(b) (42 U.S.C. 2961(b)) is amended by striking out "$13,000,000" and all that follows through the period and inserting in lieu thereof "$20,000,000 for fiscal year 1992, $21,000,000 for fiscal year 1993, $22,000,000 for fiscal year 1994, $23,000,000 for fiscal year 1995, and $24,000,000 for fiscal year 1996.".

SEC. 204. NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS.

Section 822 (42 U.S.C. 296m) is amended—

(1) in subsection (a)—

(A) by striking out the second sentence of subsection (a)(1); and

(B) by striking out "including primary health care" in paragraph (2)(A) and inserting in lieu thereof "including health care";

(2) in subsection (b)(1)—

(A) by striking out "give special consideration" and inserting in lieu thereof "give preference"; and

(B) by striking out "health professional shortage areas designated under section 332" and inserting in lieu thereof "medically underserved or rural communities as defined in section 711(c)"; and

(3) in subsection (d), by striking out "$12,000,000" and all that follows through the period and inserting in lieu thereof "$25,000,000 for fiscal year 1992, $27,000,000 for fiscal year 1993, $29,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, and $31,000,000 for fiscal year 1996.".

SEC. 205. CAPACITY BUILDING.

Subpart I of part A (42 U.S.C. 296k et seq.) is amended by adding at the end thereof the following new section:

"SEC. 823. CAPACITY BUILDING IN NURSING EDUCATION FOR PRACTICE.

"(a) GRANTS AND CONTRACTS.—The Secretary may award grants to and enter into contracts with public and private nonprofit schools of nursing for the purpose of providing support (including traineeships and fellowships) for projects to enable such schools to develop resources or strengthen programs or faculty to address the National Health Objectives for the Year 2000.

"(b) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant under this section a school shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require.

"(2) CONSIDERATION.—The Secretary shall give special consideration to applications submitted by schools that provide outreach programs that are taught in medically underserved or rural communities (as defined in sec. 711(c)) in which advanced nursing education is not readily available or that, as a result of such location, may have difficulty recruiting qualified faculty, or schools that can demonstrate that graduates of the nursing program serve rural or underserved populations.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,500,000 for fiscal year 1992, $2,000,000 for fiscal year 1993, $2,500,000 for fiscal year 1994, $3,000,000 for fiscal year 1995, and $3,500,000 for fiscal year 1996.".

SEC. 206. NURSING EDUCATION OPPORTUNITIES FOR INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

Section 827(c) (42 U.S.C. 296r(c)) is amended by striking out "$3,000,000" and all that follows through the period and inserting in lieu thereof "$5,000,000 for fiscal year 1992, $5,500,000 for fiscal year 1993, $6,000,000 for fiscal year 1994, $6,500,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.".

SEC. 207. TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES.

Section 830 (42 U.S.C. 297) is amended—

(1) in subsection (a)(1)(A)—

(A) by striking out "for nurses" and inserting in lieu thereof "for individuals"; and

(B) by striking out "programs in order to educate such nurses to" and inserting in lieu thereof "nursing programs in order to educate such individuals to";

(2) by adding at the end of subsection (a)(1), the following new subparagraph:

"(C) Non-nurses enrolled in masters of nursing programs shall be eligible for traineeship support only after completion of basic nursing preparation as defined by the School of Nursing consistent with State nurse practice acts.";

(3) by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(4) in subsection (c) (as so redesignated) to read as follows:

"(c) For the purpose of carrying out this section, there are authorized to be appropriated $17,000,000 for fiscal year 1992, $19,000,000 for fiscal year 1993, $21,000,000 for fiscal year 1994, $23,000,000 for fiscal year 1995, and $25,000,000 for fiscal year 1996.".

SEC. 208. NURSE ANESTHETISTS.

Section 831(c) (42 U.S.C. 297-1(c)) is amended by striking out "$1,800,000" and all that follows through "1991" and inserting in lieu thereof "$3,000,000 for fiscal year 1992, $4,000,000 for fiscal year 1993, $5,000,000 for fiscal year 1994, $6,000,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996".

SEC. 209. AUTHORIZATION OF APPROPRIATIONS FOR LOAN REPAYMENTS.

(a) IN GENERAL.—Section 837A (42 U.S.C. 297c-1) is amended by striking out "$5,000,000" and all that follows through the period and inserting in lieu thereof "$5,000,000 for fiscal year 1992, $6,000,000 for fiscal year 1993, $7,000,000 for fiscal year 1994, $8,000,000 for fiscal year 1995, and $9,000,000 for fiscal year 1996.".

(b) REPEALER.—Section 837 (42 U.S.C. 297c) is repealed.

SEC. 210. ALLOTMENTS AND PAYMENTS.

Section 838(a)(3)(A) (42 U.S.C. 297d(a)(3)(A)) is amended in the first sentence by striking

out "in such fiscal year and in the fiscal year succeeding the fiscal year" and inserting in lieu thereof "until expended".

SEC. 211. DISTRIBUTION.

Section 839 (42 U.S.C. 297e) is amended—

(1) in subsection (a), by striking out "1991" and inserting in lieu thereof "1996"; and

(2) by striking out "1994" each place that such appears and inserting in lieu thereof "1999".

SEC. 212. UNDERGRADUATE EDUCATION OF PROFESSIONAL NURSES.

Section 843 (42 U.S.C. 297j) is amended—

(1) in subsection (c), by striking out "serve as a nurse for a period not less than two years" and inserting in lieu thereof "serve as a nurse for a period equal to the number of years of the scholarship award"; and

(2) in subsection (f), by striking out "$15,000,000" and all that follows through the period and inserting in lieu thereof "$30,000,000 for fiscal year 1992, $31,000,000 for fiscal year 1993, $32,000,000 for fiscal year 1994, $33,000,000 for fiscal year 1995, and $34,000,000 for fiscal year 1996.".

SEC. 213. EMPLOYER LOAN REPAYMENT PROGRAM.

Section 847 (42 U.S.C. 297n) is repealed.

SEC. 214. PROHIBITION ON DISCRIMINATION.

Section 855 (42 U.S.C. 298b-2) is amended—

(1) in the section heading by striking out "ON THE BASIS OF SEX"; and

(2) by striking out "sex" each place that such occurs and inserting in lieu thereof "race, color, religion, gender, national origin, age, disability, marital status, geographic or educational affiliation or political affiliation".

SEC. 215. EVALUATIONS.

Section 859(b) (42 U.S.C. 298b-6(b)) is amended—

(1) by striking out paragraph (1); and

(2) in paragraph (2)—

(A) by striking out "(2)"; and

(B) by striking out "biannually" and inserting in lieu thereof "every 2 years".

SEC. 216. GRANTS FOR NURSE EDUCATION IN LONG-TERM CARE FACILITIES.

Part B of title VIII (42 U.S.C. 297 et seq.) is amended by adding at the end thereof the following new subpart:

"Subpart IV—Grants for Nurse Education in Long-Term Care Facilities

"SEC. 848. ESTABLISHMENT OF NURSE EDUCATION GRANT PROGRAM WITH RESPECT TO SERVICE IN LONG-TERM CARE FACILITIES.

"(a) IN GENERAL.—The Secretary may award grants to public and private nonprofit undergraduate schools or programs accredited for the training of professional nurses for the purpose of providing fellowships to licensed vocational or practical nurses, nursing assistants and other paraprofessional nursing personnel to assist such individuals in obtaining professional nursing education to attain the level of registered nurse.

"(b) PREFERENCES.—The Secretary may not award a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the applicant will give preference to—

"(1) disadvantaged and minority individuals who are underrepresented in the nursing profession, as determined in accordance with appropriate criteria established by the Secretary; and

"(2) individuals participating in rapid transition programs targeted towards the achievement of professional nursing degrees.

"(c) CERTAIN REQUIREMENTS WITH RESPECT TO STUDENTS.—The Secretary may not award a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the applicant will provide a fellowship to an individual only if—

"(1) the individual is enrolled or accepted for enrollment as at least a half-time student in a public or nonprofit school of nursing or other training program accredited to provide the requisite education and training for the level of professional certification sought by the individual;

"(2) the individual agrees to expend amounts received under the fellowship solely for the payment of the costs of tuition, books, fees, reasonable living expenses, or necessary transportation related to the training program referred to in paragraph (1);

"(3) the individual agrees that, if the individual is dismissed from the school or program referred to in paragraph (1) for academic reasons, voluntarily terminates such education or training, or violates the contract entered into pursuant to paragraph (4), the individual will be liable to the United States in an amount equal to 100 percent of the amount of the fellowship, plus interest at a rate of 5 percent per annum; and

"(4) the individual enters into a contract with a long-term care facility that is certified under title XVIII or XIX of the Social Security Act to engage in full-time employment at the higher level of professional skill acquired under this section for a period of time equal to not less than the period of time during which the individual receives assistance under this section.

"(d) CERTAIN REQUIREMENTS WITH RESPECT TO LONG-TERM CARE FACILITIES.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the amount of a fellowship provided for an individual attending the school will not exceed the amount described in subsection (c)(2).

"(e) REQUIREMENT OF APPLICATION.—The Secretary may not award a grant under subsection (a) unless—

"(1) an application for the grant is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise 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 this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under subsection (a), there are authorized to be appropriated $5,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 217. PRIMARY CARE TRAINING PROGRAM.

Subpart I of part B of title VIII (42 U.S.C. 297 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 832. PRIMARY CARE TRAINING PROGRAM.

"(a) IN GENERAL.—The Secretary may award grants to public or nonprofit private schools of nursing for the establishment or expansion of clinical training sites or training affiliations that shall be administered by such schools.

"(b) APPLICATION.—A school desiring to receive a grant under subsection (a) shall prepare and submit to the Secretary, an application at such time, in such form, and containing such information as the Secretary may require.

"(c) USE OF GRANTS.—Amounts received under grants awarded under subsection (a) shall be used to—

"(1) establish clinical training sites or new training affiliations to be run and staffed by the faculty and students of such grantee school, to provide nursing students with training in the delivery of primary care in rural areas or in areas on or within 50 miles of Indian country (as defined in section 1151 of title 18, United States Code);

"(2) provide for all aspects of clinical training program development, faculty enhancement and student scholarships; and

"(3) carry out any other activities determined appropriate by the Secretary.

"(d) DESIGN.—The training sites established under subsection (c)(1) shall be designed to provide at least 25 percent of the school's nursing students with a structured clinical experience in primary care.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1992 through 1996.".

SEC. 218. TECHNICAL AMENDMENTS.

Title VIII is amended—

(1) in section 836(b)(1) (42 U.S.C. 297b(b)(1)) by striking out the period and inserting in lieu thereof a semicolon;

(2) in section 851(a) (42 U.S.C. 298(a)) by striking out "a Advisory" and inserting in lieu thereof "an Advisory"; and

(3) in section 859(a) (42 U.S.C. 298b-6(a)) by striking out "as result of" and inserting in lieu thereof "as a result of".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. SAVINGS PROVISION WITH RESPECT TO CURRENT GRANTS OR CONTRACTS.

Notwithstanding any other provision of law, in the case of any authority for the provision of a grant or contract that is terminated by any provision of this Act, the Secretary of Health and Human Services shall, notwithstanding the termination of such authority, continue in effect any grant or contract awarded or entered into under the authority that is in effect on the day before the date of enactment of this Act, subject to the duration of any such grant or contract not exceeding the period determined by the Secretary in first approving such grant or contract, or in approving the most recent request made (prior to such date of enactment) for the continuation of such grant or contract, as the case may be.●

By Mr. STEVENS:

S. 1934. A bill to exclude deposits into a capital construction fund account under section 607(d) of the Merchant Marine Act from net earnings from self-employment; to the Committee on Finance.

EXCLUSION OF CERTAIN FUNDS DEPOSITED INTO CAPITAL CONSTRUCTION FUND ACCOUNTS

● Mr. STEVENS. Mr. President, today I am introducing a bill to permit participants in the Merchant Marine Capital Construction Fund—or CCF—Program to reduce their self-employment income by the amount of contributions to their CCF account. Under current law, an amount equal to the amount deposited for the year into a CCF account reduces taxable income, but not self-employment income. My amendment would reverse revenue ruling 79–413 and the Tax Court ruling in *Eades* v. *Commissioner*, 79 TC 985—December 8, 1982.

The purpose of the Capital Construction Fund Program, which was created

by the Merchant Marine Act in 1936, is to improve the U.S.-flag merchant marine by providing fishermen a mechanism to facilitate accumulation of funds with which to acquire, construct, or reconstruct vessels—including processing and transporting vessels. This is accomplished by permitting any citizen owning or leasing an eligible vessel to enter into an agreement with the Secretary of Commerce to establish a Capital Construction Fund. Taxation of funds deposited into a CCF fund are deferred, in order to facilitate the accumulation of funds required for the acquisition, construction, or reconstruction of the specified vessel(s).

Essentially, this is a form of advance depreciation. Earnings which are placed into the CCF accounts are not subject to the income tax. However, when funds are taken from the CCF accounts to acquire, construct or reconstruct a vessel, the basis of the vessel is reduced to reflect the tax benefit received when the money was originally deposited.

The advance depreciation benefit does not, however, apply to self-employment income. The Internal Revenue Service and the U.S. Tax Court have ruled that although the Merchant Marine Act provided that taxable income should be reduced by the amount deposited into a CCF, no provisions exist for earnings to be reduced in the determination of self-employment tax. Fishermen using the CCF program are therefore, in a sense, double-taxed with reference to self-employment income. They pay tax on their self-employment income at the time of the CCF deposit, and lose future depreciation deductions against self-employment income due to the basis reductions required by the program.

Despite this apparent double taxation, the Tax Court found it "unlikely that Congress ever considered whether deposits into a capital construction fund established pursuant to Section 607 of the Merchant Marine Act should be subject to the self-employment tax." Certainly, the court is correct as to the law setting up the CCF program because when Congress enacted the Merchant Marine Act in 1936, the self-employment tax did not exist. The court, however, went on to find that subsequent Merchant Marine Act amendments fail to indicate any congressional intent to apply the CCF deferrals to self-employment income.

Mr. President, there continue to be disputes and court actions regarding congressional intent on this matter. I believe the Congress should squarely address this issue and make clear that deposits into CCF accounts will reduce self-employment income. The current situation where individuals must lose future depreciation against their self-employment income in order to utilize the CCF program is inconsistent with that program's purpose. It simply doesn't make sense to provide reduction of taxable income as an incentive to use the CCF program, and at the same time have a disincentive on the self-employment income side. This reduces the benefits CCF can provide to fishermen, which undermines the purposes of the program. I have, in fact, been told by administrators at the Fisheries Service that some fishermen are not using CCF because of the double taxation disincentive.

The bill I am introducing today makes clear that deposits into CCF accounts will reduce—in addition to taxable income—"net earnings from self employment." In addition, the bill provides for recapturing self-employment taxes for funds which are withdrawn from CCF accounts for nonqualified purposes, that is, purposes other than acquisition, construction, or reconstruction of qualified vessels. Finally, the bill would apply the self-employment tax deferral to all tax cases beginning with tax year 1986, and would provide 1 year from the date of enactment during which time tax refunds pursuant to this legislation could be claimed.

I thank my colleagues for their attention and urge the Finance Committee to act on this legislation.●

By Mr. SIMPSON (for himself, Mr. WALLOP, Mr. BURNS, Mr. BAUCUS, Mr. GARN, Mr. HATCH, Mr. DOMENICI, Mr. CRAIG, and Mr. PRESSLER):

S. 1935. A bill to require the Secretary of Agriculture to submit a report on, and establishing a system for lamb price and supply reporting services in the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

LAMB MARKETING LEGISLATION

Mr. SIMPSON. Mr. President, the lamb industry of the United States is in an economic crisis. I have worked carefully the last several months with the American sheep industry and many interested and energetic colleagues in both the House and Senate investigating the best approach to solve the current crisis within the lamb industry.

I rise today to introduce a bill that would require the Secretary of Agriculture to submit a report to the Senate Agriculture Committee regarding measures that are necessary to improve the lamb price and supply reporting services of the Department of Agriculture. I believe this bill is a step in the right direction toward solving the industry's problems.

Many lamb producers from ranches across the country have contacted me in the last 6 months to tell me about the problems in the industry. I have forwarded many of their concerns to the Justice Department to assist in the investigation of the industry. I am pleased to report that the Justice Department has dedicated itself to investigate the industry—from top to bottom—from the producer to the retail level.

The loud and clear message that producers are conveying is that there appears to be a fundamental breakdown in the price discovery system. The House hearings in the last few weeks have produced similar information. Immediate improvements must be made to the lamb marketing information system in order to save the U.S. domestic sheep industry.

The bill I introduce today, with my colleagues from other sheep producing States, would require that the U.S. Department of Agriculture evaluate the current marketing and price reporting system—or lack thereof—and implement a lamb price discovery and reporting system based on the findings of the study.

The bill requires the Secretary to examine measures to improve information on the following:

First, price reporting series of wholesale, retail, box, carcass, pelt, offal, and live lamb sale prices in the United States, including markets in California, the east coast region, the Midwest region, Texas, the Rocky Mountain region, and Florida.

Second, sheep and lamb inventories, including onfeed report.

Third, the price and supply relationships between retailers and breakers.

Fourth, the workability of voluntary or mandatory reporting for sheep prices.

Fifth, information on the import and export of sheep, analyzed by cut, carcass, box, breeder stock, and sex.

The bill also mandates the Secretary to develop a price discovery formula, such as carcass equivalent pricing, for the lamb market.

The gap between farm gate prices for lamb and its retail prices continues to grow. That trend must be reversed. This bill will provide producers with the information needed to make better and more efficient production decisions. I am truly optimistic about the opportunities this bill may be able to create for the producers of my fine State of Wyoming and those in the other sheep-producing States.

Mr. WALLOP. Mr. President, I join with my distinguished colleague from Wyoming, AL SIMPSON, in introducing legislation vital to the survival of a domestic sheep industry. This is one more step in our ongoing efforts to correct serious sheep market problems adversely affecting over 110,000 hard-working families nationwide. Because Wyoming is the Nation's third-largest sheep-producing State with 1,539 family operations, disparities in America's sheep market continue to deeply concern this Senator and my constituents who are directly and indirectly involved in the sheep industry.

Between 1988 and 1991, approximately 3,000 family sheep operations nation-

wide, including over 200 in Wyoming, have been unfairly driven from their heritage and out of business. Most are on the brink of unnecessary financial disaster. If the current situation is not resolved soon, at least half of Wyoming's 830,000 sheep and lambs will be gone in 2 to 3 years. For the sake of thousands of families and small communities in Wyoming and nationwide who depend on a fair sheep market for their livelihoods, this problem must be corrected. Our bill is one piece of the puzzle which, once completed, will lead to a healthy domestic industry.

I refer to the current situation as a puzzle—it is puzzling because the retail price of lamb products has remained steady, but the wholesale prices paid to our sheep-ranching producers has declined. There is something rotten in the marketplace—it's not working. Making the market work through Government directives is not the solution. What we must do is ensure that all the players have information about retail and wholesale pricing in order to play fair. Shining sunshine on this information, as required by our bill, will ensure that market information will not remain the privilege of a few, and perhaps help shrink the curious and unfair spread between wholesale and retail sheep prices. By opening up the flow of information, the sheep industry will begin to operate like every other free agricultural market in this Nation.

We have a good, bipartisan coalition of Senators who are concerned and demand action at this critical time to save one of our country's oldest and proudest industries. I would urge the Senate to act expeditiously on this matter.

Mr. BAUCUS. Mr. President, I rise in strong support of the bill introduced by Senator SIMPSON to help bolster the U.S. sheep industry.

The U.S. sheep industry is in the midst of an economic crisis.

Nationally, producer returns per stock animal have fallen from an average of $96 in 1987 to $57 this year. These numbers represent a whopping 41 percent decline in value over the past 5 years.

In the last year alone, the industry's inventory value dropped by $166 million, or 19.5 percent.

Recently, many sheep producers from across the country gathered in Denver for a field hearing in an effort to figure out what to do about low lamb prices.

They wanted to figure out a way to close the huge gap between wholesale-farm and retail prices.

A Montana producer, for example, testified that he got 99 cents a pound for lamb in 1987, and only 47 cents in 1990. At the same time, it was pointed out that consumers today pay as much as $6.99 a pound for a leg of lamb at the supermarket.

Producers believe that one of the major reasons this gap exists is because of the lack of adequate market information on which to base marketing decisions.

They point out that other industries such as pork, beef, and poultry have a wealth of information upon which to base market decisions and are therefore doing pretty well right now.

The lamb industry, on the other hand, has very little information. This is because the USDA has chosen simply not to ever report some critical lamb prices; and over the past 10 years has chosen to slowly do away with most of the lamb price reporting it has done historically.

The USDA has never reported offal prices even though these prices directly impact live lamb prices. Nor has the USDA ever reported boxed lamb prices which is a higher value carcass meeting specific standards. Nor are exports reported by weight, sex, or age.

In 1981, the USDA discontinued retail price reporting. In September 1985, the USDA discontinued the reporting of weekly lamb pelt prices. In September of 1990, the USDA discontinued reporting wholesale carcass prices in San Francisco and wholesale cut prices in Los Angeles and San Francisco.

Consequently, only a small fraction of lamb sales in the east coast carcass market determines the price for the whole industry nationwide. To exacerbate the problem, these east coast lambs are often fatter and lower in value than lambs in the rest of the country. In addition, this report is done only once a year and is always out of date.

Surely, the USDA can do a better job than this.

This bill will go a long way toward correcting the problem. Specifically, it will require the Secretary of Agriculture to submit a report to the House and Senate Agriculture Committees on measures that are necessary to improve the lamb price and supply reporting services of the Department of Agriculture.

The report will concentrate on measures to improve reporting of such information as: Prices of wholesale, retail, box, carcass, pelt, offal, and live lamb sales throughout the United States; sheep and lamb inventories; price and supply relationships between retailers and breakers; and information on the import and export of sheep, analyzed by cut, carcass, box, breeder stock, and sex.

After the report is completed and submitted to Congress, the Secretary will be required to develop and establish a price discovery system for the lamb market.

Mr. President, because I think this legislation is so critical to the continued viability of the lamb industry, I plan to offer this bill as an amendment to the 1990 farm bill technical corrections legislation when it is debated by the Senate Agriculture Committee.

I urge my colleagues to support it.

By Mr. COATS:

S. 1937. A bill to provide for coverage of Congress under Federal civil rights and employment laws; to the Committee on Governmental Affairs.

S.J. Res. 227. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office for Members of Congress; to the Committee on the Judiciary.

CONGRESSIONAL REFORM LEGISLATION

Mr. COATS. Mr. President, Americans are in a crisis of confidence. The Congress is in a crisis of credibility and something has got to change.

I hear this point made every time I leave the city limits of Washington. People are facing real problems: Getting their kids a good education, paying the bills after taxes, worrying about the cost of being sick, looking for a job, or trying to keep one.

But when they turn in need to Congress, they only find disappointment and anger. They see midnight pay raises and entrenched, distant politicians. They see an institution that exempts itself from many of the laws it writes, and won't punish itself when it breaks the laws and rules it pretends to observe.

Americans have become deeply cynical about the Congress—and deeply skeptical when we try to create public policy. They ask if an institution which can't govern itself can govern the rest of us.

That is a fair question. It is impossible to simultaneously be held in contempt by the American public and be viewed as an institution capable of providing leadership on the major problems facing our Nation.

The simple fact is this: the trust of Americans must be restored in their representatives as major problems are effectively addressed. We need to create an environment where we can focus on important problems, not endless internal scandals. And that requires some major reform.

Today, I unveil a wide-ranging congressional reform package in four parts—three introduced today, one other very shortly. The goal of this package is not to improve or whitewash the image of Congress. The goal is to recover the kind of public trust necessary to do the Nation's business. It outlines a radically different approach to government.

First, I will propose to abolish the Senate Ethics Committee entirely and replace it with something that works.

It should be clear to everyone that the Congress has failed to police itself. The Ethics Committee has been called the graveyard of investigations. For the most part, it does not look for blind justice; it looks after the self-preservation of this institution and its Members.

You would not try an accused person before a jury of his family. But in the

eyes of most Americans, that is essentially what the Senate ethics committee amounts to. For evidence, we need look no further than the Keating investigation.

My bill would replace the Ethics Committee with an outside commission that has the power to refer serious ethical and legal breaches to an independent counsel. The goal is to give Congress the same kind of scrutiny applied to the executive branch. It is premised on one belief—only an outsider can enforce the ethical and legal standards that Americans expect. The insiders have failed.

Second, I have introduced a major reform of the way Congress deals with its pay.

There is nothing that angers Americans more than when Congress awards itself a raise and hides its action behind obvious deceptions—late at night, in a larger bill, evading current restrictions. It is a congressional practice that counts on public apathy and confusion.

My measure would require pay raises to be taken in the light of day, by a rollcall vote, standing alone. It would leave Senators no place to hide.

And I am encouraging Senators to lead by example. I voted against the last pay raise. And I am giving it to charity.

Third, I have proposed to apply the laws that Congress has written to the Congress itself. It is the worst, most obvious hypocrisy for the Senate to pass legislation that applies to every American, except those who wrote the law. It sets the Congress apart as a privileged elite unbound by normal rules and standards. And it protects it from the consequences of its own failures and excessive burdens.

My measure ensures that public laws would be applied to public servants. Anything less is a dangerous double standard.

Fourth, I have proposed to apply term limits to the Congress.

Americans are offended by the entrenched power of distant politicians—people who have lived away from the real world for 30 or 40 years, and come to accept the Washington rules. They think that Members of Congress, over time, become tied to big money and special interests, and vote more on the basis of self-preservation than national interest. They want citizen legislators, not career politicians.

My bill would limit the period that any Member of Congress could serve to two full terms in the Senate and six full terms in the House. And more than that, I've made a pledge to live by that standard if it passes or not.

Under this law, it would no longer make as much difference how many special interests a Member of Congress pleased, or how many unneeded pet projects they returned home. No matter what they did, public service could not be a lifetime. And this might provide more freedom to act on conscience.

This is a limit. But I intend it as a source of liberation—the liberation of a Congress that concentrates on policy, not the demands of a career or the opinions of special interests.

In addition to these legislative measures, the Congress must confront the kind of internal waste that makes Americans so angry. I have tried to honor that commitment in my own office. During my tenure in Congress, I have returned more than $1 million to the Treasury, and pledge to continue that practice by returning more than 10 percent of this year's allocation.

With this kind of congressional reform—with limited terms and limited pay raises, with Congress subjected to laws and held to high ethical standards, with a Congress that will lead by example—we could get on to other, more important things. Instead of being a problem, the Congress could look for solutions.

It is important to take advantage of this unique moment, a time when public anger burns white-hot. This is the moment to advance reform—the moment when outrage meets activism.

In most times, Congress seems frozen in indifference. I intend this package to begin the thaw.

I have proposed it for one reason: if the Congress does not change, the Congress can not govern.

Mr. ROBB (for himself and Mr. WARNER):

S. 1938. A bill extending the time for submission of the final statement of community development block activities by Petersburg, VA; to the Committee in Banking, Housing and Urban Affairs.

EXTENSION OF CERTAIN COMMUNITY BLOCK GRANT COMMUNITIES

Mr. ROBB. Mr. President. I rise today, along with my colleague, Senator WARNER, to introduce legislation to deal with an important problem facing the city of Petersburg, VA. Because of personnel changes in the city administration, the city missed the September 1, 1991, deadline to submit its final statement for the community development block grant [DCBG] program. The Department of Housing and Urban Development says that it is unable to waive the deadline administratively, and that this problem requires a legislative resolution. This bill would waive the city's September 1 deadline until December 31, 1991.

The city of Petersburg is in desperate need of the CDBG funds for which it has applied. In 1990, the median household income in Petersburg was $24,117, which is 64 percent of Virginia's median household income.

I hope that the Senate will move quickly on this noncontroversial piece of legislation to correct this problem. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the City of Petersburg, Virginia is authorized to submit by December 31, 1991, and the Secretary of Housing and Urban Development shall consider and accept, the final statement of community development objectives and projected use of funds required by section 104(a)(1) of the Housing and Community Development Act of 1974 in connection with a grant to the City of Petersburg under title I of such Act for fiscal year 1991.

By Mr. LEAHY:

S. 1939. A bill to amend title 5, United States Code, to amend the Freedom of Information Act, and for other purposes; to the Committee on the Judiciary.

By Mr. LEAHY (for himself and Mr. BROWN)

S. 1940. A bill to amend title 5, United States Code, to provide for public access to information in an electronic format, to amend the Freedom of Information Act, and for other purposes; to the Committee on the Judiciary.

FREEDOM OF INFORMATION IMPROVEMENT ACT AND THE ELECTRONIC FREEDOM OF INFORMATION IMPROVEMENT ACT

• Mr. LEAHY. Mr. President, our Nation was born of a healthy disrespect for kings and despots and autocratic rule. The Constitution created a new kind of government. The Founders did not give power to the state—they vested it in the people. They believed that government is to be probed and poked, ridiculed and satirized, if it cannot make an accounting for itself.

This year we commemorate the 25th anniversary of the Freedom of Information Act. Twenty-five is symbolic. In truth, FOIA was born when the Constitution was signed more than 200 years ago. FOIA is no more and no less than a codification of the democratic principle that the public has the "right to know."

It has been an eventful 25 years, and in many ways the FOIA came of age as I did. In 1966, FOIA established a statutory right of access to government records by any person who requested them. It was, as John Moss said at the time, an "historic act." When President Johnson signed that bill, I was 26 years old and a young state's attorney in Chittenden County, VT. Inspired in part by President Kennedy's vision that government could be a positive force in this country, I committed myself to public service. My understanding of the importance of an informed electorate and an accountable government was just beginning to take shape.

In 1974, FOIA was amended to improve administrative procedures, to allow attorney fees for successful

plaintiffs, and to authorize judges to review documents in camera to determine whether they were properly withheld. The Watergate scandal, which culminated in President Nixon's resignation in August of that year, showed us the danger of secrecy in government. The public reaction to that scandal foreshadowed the overrides of President Ford's veto of the FOIA amendments. The same desire for a fresh start fueled my first campaign for the Senate. I came to serve in this body at a time when the Nation was rocked by Watergate and suspicious of government activities and officials.

In the early 1980's, we had a new President and a Republican Senate. The Reagan administration was disdainful of the public's right to know and used every means at its disposal to clamp down on access to information. We fought many fierce battles in those years, as the administration worked hard to limit the scope of the act and to curtail the public knowledge of what the government was doing.

In 1986, we found ourselves in the middle of a war on drugs and crime. Congress struggled to deal with that problem in an omnibus antidrug bill. In that context, FOIA was amended to address certain law enforcement concerns and to change the fee structure. The next year, I became the chairman of the Technology and the Law Subcommittee, which has jurisdiction over the Freedom of Information ACT.

The country has changed in the last quarter century and the Freedom of Information Act has changed along with it. But FOIA's purpose and foundation remain the same: That democracy without knowledge is meaningless, and citizens without information are not truly free.

In its 25 years, FOIA has led to the disclosure of information on consumer health and safety; waste, fraud and abuse in the government; foreign policy; civil and constitutional rights; and the environment. From revelations about the dangers of the Ford Pinto gas tank and red dye number 2 to accidents at the Rocky Flats nuclear weapon plant, FOIA has informed the public about serious threats to our health. In just the last year, information on the Hubble space telescope and details of the savings and loan crisis were made available to the public—thanks to the Freedom of Information Act.

As we celebrate FOIA's 25th birthday, we find ourselves in a different world from 1966—facing new questions and complex challenges. As the government moves full force into the computer age, gone are the days of carbon paper and mimeograph machines. Today computers, fax machines, and electronic mail systems are commonplace.

What does that mean for the Freedom of Information Act?

It should mean more access for people—like those with sight or hearing impairments—who have traditionally been excluded from meaningful participation in our system of government. It should mean for FOIA what it has meant for the rest of the world—faster, cheaper, and more efficient communications.

Unfortunately, this is not necessarily happening. Some agencies use computers to frustrate rather than to help requesters, while others simply do not use computers efficiently.

The questions raised by electronically stored information were explored at length in the Benton/Bauman Foundation Conference on "Electronic Information and the Public's Right to Know" in October 1989. Last year, the house of delegates of the American Bar Association approved a resolution encouraging agencies to ensure that "access to information under the FOIA not be diminished by virtue of the fact that the information is maintained in electronic form."

One of the bills I am introducing today—joined by Senator BROWN, the ranking member on the Technology Subcommittee—builds on this foundation in the effort to bring FOIA into the computer age. While there is no question that FOIA covers all Government information—regardless of its format—there are technical questions raised by the increased use of computers.

How do we define a FOIA search? Is an automated data base search synonymous with looking through a file cabinet? My view is that not only is it a search, but that it should be faster and easier for an agency to do.

In this age of paper records and computer tapes, should requesters be given the format of their choice? My bill requires that if the requester's format of choice exists, the agency should make it available, and if it does not exist, the agency should make reasonable efforts to provide it.

My legislation also addresses the problem of delays. The single biggest complaint about FOIA is that requesters wait weeks, months, even years to get information from the Government. While there is no question that agencies sometimes delay to avoid responding to a specific request, it is also true that in this age of budget deficits, lack of resources is a serious problem.

I am proposing that we allow agencies to retain half of the FOIA fees they collect if they comply with the statutory time limits. The fees they retain will be channeled back into the agency's FOIA operation. This incentive should alleviate some of the horrendous FOIA backlogs.

I am introducing a second bill that would tighten the national security, law enforcement, and financial institution exemptions, and define "commercial requester" for purposes of the fee structure.

This bill would also extend the scope of FOIA to cover both the legislative branch and the President. In the past, I have introduced legislation that would extend to Congress a number of Federal laws relating to employment as well as both the Freedom of Information Act and the Privacy Act. I continue to believe that Congress must consider whether we are willing to subject ourselves and the President to those responsibilities we impose on others. I recognize that subjecting Congress to FOIA raises important constitutional and policy issues, but I think it is time to consider the merits of this proposal.

These are not always easy problems to solve, but we can deal with them if we take a commonsense approach. The purpose of FOIA is to make information available to the public—FOIA is a disclosure statute, not a withholding statute. In that context, many of these issues become clear. The Government should do what it reasonably can to make information available to the American public. Period.

We have to keep in mind the great cost to our democratic system if the Government ignores this mandate.

The risk is not that one requester will not get the information she seeks. It is not that one reporter will have to wait 2 years to get a response from an agency or that one book author will be denied a fee waiver.

The risk is that the American people will lose faith in their Government—that the public will become more disdainful and ultimately indifferent to a democratic system that will wither without their participation.

In a new book entitled, "Why Americans Hate Politics," E.J. Bionne writes:

> With democracy on the march outside our borders, our first responsibility is to ensure that the United States becomes a model for what self-government should be and not an example of what happens to free nations when they lose interest in public life.

We must preserve our democratic system by cherishing the freedom and responsibility it gives us. FOIA gives us the power to govern ourselves and to ensure that the freedom we celebrate today is preserved tomorrow.

When President Johnson signed the FOIA into law he said that he did so "with a deep sense of pride that the United States is an open society in which the people's right to know is cherished and guarded."

Let us preserve that legacy. And let us renew our commitment to government, freedom of expression, and democracy.●

● Mr. BROWN. Mr. President, I am pleased to cosponsor S. 1940, the Electronic Freedom of Information Improvement Act of 1991. Mr. President, all across America, private industry has embraced the coming of the information age. This bill takes an important step toward bringing the Federal Government into the information age as well.

The purpose of the bill is to provide electronic access to agency records and data bases and to discourage agency delay in complying with Freedom of Information Act requests.

It would provide that the Federal Register be made available in printed and electronic form, thereby permitting the widest possible dissemination of agency actions, rules, and regulations. Making the Federal Register available electronically would also take an important step toward making this information available in braille and synthetic speech forms for the visually impaired.

Under the bill, the private sector would be provided with increased information as to the records maintained by agencies in electronic form and descriptions of the data bases maintained by the agency. This would ensure that heavily regulated industries have ready access to the latest Government data bases and other information which may affect their everyday business decisions.

The bill would provide agencies with an incentive to comply with FOIA requests in a timely manner. A percentage of the fees collected from such requests would be credited to the agency, but only if the agency had been found to be responsive to FOIA requests. I believe this will help to defray the costs of the legislation. However, if any agency does not timely comply with FOIA requests, penalties may be assessed against the agency.

Agencies would also be required to establish rules governing expedited requests under the Freedom of Information Act where a compelling need is shown for the information.

Mr. President, this bill is an important first step and I look forward to working with my colleagues in order to refine this legislation.●

By Mr. KENNEDY (for himself and Mr. SIMPSON):

S. 1941. A bill to amend the Immigration and Nationality Act for the purpose of reforming procedures for the resettlement of refugees in the United States; to the Committee on the Judiciary.

REFUGEE RESETTLEMENT REFORM ACT

Mr. KENNEDY. Mr. President, I am pleased to join today with my colleague on the Immigration and Refugee Affairs Subcommittee, Senator SIMPSON, in introducing once again legislation to reauthorize the domestic resettlement authorities of the Refugee Act of 1980.

It has now been slightly over a decade since the Senate has taken a comprehensive look at our country's mechanisms for the resettlement of refugees. Over that time, over 1 million refugees have been successfully resettled, so there is much to celebrate and much to learn from.

But at the same time, Federal resources for the program have declined dramatically. State and local governments, voluntary agencies, and refugee mutual assistance associations have been required to take up the slack in the Federal commitment to the program. Clearly, changes are required.

Let me emphasize at the outset that we consider the bill we are introducing today to be a working bill, not a final product. We will be reviewing comments and suggestions before markup and before it is reported to the Senate.

But it is a bill that has already been given considerable work and review. It is the product of extensive consultations over this past year with all of the parties involved in refugee resettlement—the administration, the voluntary agencies, mutual assistance associations, and State and local governments. It represents the results of a special roundtable discussion I convened last March. And the subcommittee conducted a thorough hearing on this subject on July 11. So this bill already represents a broad consensus on what reforms are needed now to make our refugee resettlement process more efficient and more cost effective—and to give States, localities, voluntary agencies, and refugee groups a greater voice in resettlement policy.

Mr. President, our bill would accomplish a number of goals.

For the first time in our immigration laws, we clarify Federal goals and requirements for our Nation's resettlement program. We state clearly that the goal of our program is to contribute to the durable economic self-sufficiency and full social integration of refugees. And we establish a clear Federal minimum standard of 12 months for Federal reimbursement of State costs of refugee cash and medical assistance.

Second, our bill would bring much-needed coordination of refugee admissions and refugee funding. Over the last few years, the President has proposed refugee admissions ceilings which respond appropriately to worldwide resettlement needs. However, the same commitment has not been demonstrated toward paying for the resettlement. In fact, Federal funding per refugee has declined by more than 50 percent over the past 5 years.

Our bill would require that discussions on refugee admissions occur before June 1 of each year before the completion of the appropriations process, rather than in September after appropriations levels are fairly well determined. In addition, the President will be required to indicate in his annual budget submissions exactly how many refugees he intends to cover under the budget. If the refugee admissions levels he later proposes are higher than those upon which the budget was based—as has frequently been the case in recent years—then the President is required to indicate how he will make up the additional funding.

Third, the bill establishes a clear system of refugee case management for States which face the greatest resettlement challenges. This case management will better endure that services are coordinated and not duplicated. The bill also authorizes, where appropriate, that States may permit case managers also to be responsible for administering any cash and medical assistance for which the refugee is eligible. This approach has been tried with some success in Oregon, and we would authorize the extension of this approach to other States where such action makes sense.

Fourth, the legislation establishes a system of consultation and coordination between the Federal Government and other key resettlement actors on the State and local level regarding resettlement policy and procedures. The day-to-day work of resettlement occurs at the local level, and counties, voluntary agencies, mutual assistance associations and others should have a greater say in how the resettlement job is done.

In this context, Mr. President, I am deeply concerned about the need to strengthen our Government's ability to coordinate our refugee programs. I believe that the President, at a minimum, should shift the office of the U.S. Coordinator for Refugee Affairs to the Executive Office of the President. This would free it from being a creature of the Department of State and eliminate its redundant diplomatic responsibilities. This was the original intent of the House-Senate conferees on the Refugee Act in 1980, which statutorily created the office.

This is a matter which I will continue to review with my colleagues as this legislation is considered by the Senate.

Fifth, the legislation provides States and localities with greater flexibility in determining how Federal funds may be used, as long as they can accomplish the goal of helping refugees toward early self-sufficiency.

Sixth, in recognition of the increasingly important role that Federal innovation plays in times of reduced resources, we elevate the Office of Refugee Resettlement in the office of the Secretary of Health and Human Services. The bill establishes the office as a new Administration on Refugee and Migration Affairs, much like was done recently by Congress on behalf of the Administration on Aging.

Finally, in order to enhance our country's response to refugees at risk, this bill authorizes consular officers to make refugee determinations where U.S. immigration officials are not readily available. Currently, refugees in remote regions often must wait months for INS officers to arrive to adjudicate their refugee claim.

Mr. President, we take great pride in the accomplishments of our refugee

program. Over the past decade, over 1 million refugees have been rescued from persecution, and assisted in starting anew in America. This accomplishment is a great tribute to the many committed individuals in Government and in the voluntary agencies and refugee self-help organizations over many years. And this legislation compliments their many achievements, and puts the refugee program on even more solid footing as we enter the next decade.

Mr. President, I ask that the legislation be printed at this point in the RECORD, along with a recent joint recommendation on resettlement presented to our subcommittee by 153 organizations.

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

S. 1941

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 "Refugee Resettlement Reform Act of 1991".

SEC. 2. REFERENCES IN ACT.

Except as specifically provided in this Act, whenever in this Act an amendment or repeal is expressed as an amendment or repeal of a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

SEC. 3. PURPOSE.

Section 412(a)(1)(B) is amended by inserting after "(B)" the following: "The purpose of this subsection is to authorize assistance to refugees admitted to the United States under the terms of this Act with the goal of contributing to the durable economic self-sufficiency and full social integration of refugees.".

SEC. 4. AUTHORITY FOR SECRETARY OF STATE TO MAKE REFUGEE DETERMINATIONS.

Section 207(c)(1) (8 U.S.C. 1157(c)(1)) is amended—

(1) by inserting "(A)" immediately after "(1)";

(2) by inserting "and subject to subparagraph (B)," after "subsections (a) and (b),"; and

(3) by adding at the end thereof the following:

"(B) The Secretary of State together with the Attorney General shall develop procedures, under which the Secretary may determine individuals to be qualified for admission to the United States as refugees. Such determinations may be made by the Secretary of State in instances defined by the Attorney General together with the Secretary of State in which the Attorney General does not have immediate access to the individual under consideration for admission as a refugee and cannot expeditiously determine whether such individual is qualified for refugee admission.".

SEC. 5. CONSULTATIONS ON REFUGEE ADMISSIONS.

(a) DEADLINE FOR REPORT.—Section 207(d)(1) (8 U.S.C. 1157(d)(1)) is amended by striking out "Before the start of each fiscal year" and inserting in lieu thereof "At the time of the President's annual budget submission to the Congress,".

(b) DEADLINE FOR DETERMINATION OF REFUGEE ADMISSIONS.—Section 207(a)(2) (8 U.S.C. 1157(a)(2)) is amended by striking "before the beginning of the fiscal year" and inserting "before June 1 of each year".

(c) CONTENT OF CONSULTATIONS.—Section 207(e) (8 U.S.C. 1157(e)) is amended by adding at the end the following:

"(8) Whenever the number of refugees proposed to be admitted exceeds the number reported under subsection (d)(1), a specific budget request with respect to such additional number of refugees to be admitted and resettled, including a description of the source of such additional budget authority, whether from supplemental appropriations, the reprogramming of funds, or otherwise.".

SEC. 6. RESTRICTION ON ADJUSTMENT OF STATUS OF REFUGEES.

Section 209(a) (8 U.S.C. 1159(a)) is amended—

(1) in paragraph (2), by striking "subsection (c)" and inserting "paragraph (3) or subsection (c)"; and

(2) by adding at the end thereof the following new paragraph:

"(3) Any alien inspected and examined under paragraph (2) who fails to demonstrate progress toward the repayment of any loan made by the United States to the alien for expenses incurred (including airfare) in connection with the resettlement of the alien in the United States shall not be eligible for adjustment to the status of an alien lawfully admitted for permanent residence for a period of up to one year after the alien becomes eligible to apply for such adjustment.".

SEC. 7. LOCATION OF OFFICE OF REFUGEE RESETTLEMENT.

(a) AMENDMENT TO INA.—Section 411 (8 U.S.C. 1521) is amended to read as follows:

"ADMINISTRATOR FOR REFUGEE AND MIGRATION AFFAIRS.".

"SEC. 411. (a) ESTABLISHMENT.—(1) There is established in the Office of the Secretary of Health and Human Services an Administration on Refugee and Migration Affairs, which shall be headed by an Administrator for Refugee and Migration Affairs (hereafter in this section referred to as the "Administrator").

"(2) The Administrator shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be directly responsible to the Secretary of Health and Human Services.

"(b) DUTIES.—The function of the Administration and the Administrator is to fund and administer programs of the Federal Government under this chapter.".

(b) TECHNICAL AMENDMENTS.—(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Administrator for Refugee and Migration Affairs.".

(2) Chapter 2 of title IV of the Immigration and Nationality Act is amended by striking "Director" each place it appears and inserting "Administrator".

SEC. 8. CONSULTATIONS WITH STATES, LOCALITIES, AND PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—Section 412(a)(2)(B) (8 U.S.C. 1522(a)(2)(B)) is amended to read as follows:

"(B)(i) The Secretary of Health and Human Services, together with the Secretary of State, shall consult at least once each year with States, localities, private nonprofit voluntary agencies, mutual assistance associations, and other entities or persons essential to the resettlement of refugees.

"(ii) Such consultation shall include—

"(I) a review of the state of the refugee program; and

"(II) to the maximum extent practicable, the development of general plans and policies which would govern the admission and resettlement of refugees for at least the two fiscal years beginning after such consultations.

"(iii) For purposes of this subparagraph, the term 'mutual assistance association' means any organization that enables refugees to assist themselves and on which at least one-half of the board of directors is composed of individuals who are or were refugees.".

(b) CONSULTATION WITH CONGRESS.—Section 207(e) of the Immigration and Nationality Act (8 U.S.C. 1157(e)), as amended by section 5 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(9) A certification that the consultation required by section 412(a)(2)(B) has taken place, together with a brief description of such consultation and its results.".

SEC. 9. ADMINISTRATIVE PROCEDURES FOR THE STATES.

(a) REQUIREMENT OF SINGLE GRANT PROPOSALS; ADJUSTMENT OF REPORTING DEADLINES.—Section 412(a)(4)(B) (8 U.S.C. 1522(a)(6)(A)) is amended to read as follows:

"(B)(i) After an annual consultation under paragraph (2)(B), the State shall submit to the Administrator a single grant proposal to cover programs within the State funded under this chapter, including—

"(I) a description of the State's requirements for each such program; and

"(II) a budget request for the administrative costs of such programs, which request shall identify separately the proposed costs for the State's management of its refugee program.

"(ii) The Administrator shall prescribe revised regulations for the purpose of consolidating procedures relating to programs funded under this chapter. As part of such regulations, the Administrator shall, to the maximum extent practicable, adjust reporting deadlines to occur on a concurrent basis.".

(b) CONTENT OF STATE PLAN.—Section 412(a)(6)(A) (8 U.S.C. 1522(a)(6)(A)) is amended—

(1) by striking "and" at the end of clause (iv);

(2) by striking the semicolon at the end of clause (v); and

(3) by adding at the end thereof the following new clauses:

"(vi) a description of the State's consultation and collaboration with relevant refugee assistance organizations (including refugee groups), highly impacted localities, voluntary agencies, mutual assistance associations, social services agencies, and others, through which this plan has been developed, and

"(vii) a description of the efforts of the State in the previous year to provide refugees with equitable access to programs under State jurisdiction.".

(c) DEADLINE FOR MAKING GRANT AWARDS AND NOTIFYING OF REIMBURSEMENTS.—Not later than 90 days after the date of enactment of any appropriation pursuant to section 412 of the Immigration and Nationality Act, the Administrator for Refugee and Migration Affairs shall, to the maximum extent practicable, make grant awards and notices of reimbursement to the States.

SEC. 10. CASE MANAGEMENT.

(a) CONTENT OF STATE PLAN.—Section 412(a)(6) (8 U.S.C. 1522(a)(6)) is amended—

(1) in subparagraph (A)(i), by inserting before the comma the following: ", including how the State intends to meet the case management requirement";

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

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

"(B) meet the criteria prescribed by the Administrator under paragraph (9) with respect to case management.".

(b) ROLE OF CASE MANAGEMENT.—Section 412(a) is amended by—

(1) by redesignating paragraphs (9) and (10) as paragraphs (10) and (11) respectively; and

(2) by inserting after paragraph (8) the following:

"(9)(A) The Administrator shall develop criteria for States (other than States described in subparagraph (B)) for the awarding of grants for case management. Such criteria shall include—

"(i) consideration given to awarding such a grant to the voluntary agency which was awarded the grant by the Department of State for the reception and placement of the refugee, if such agency is qualified to conduct such case management and is the appropriate agency in that locality for such function;

"(ii) consideration to the use of mutual assistance associations for case management;

"(iii) allowances for alternative means of structuring case management; and

"(iv) a coordinated transition between the reception and placement services provided under subsection (b)(7) and those services provided under a case management plan, as described in subparagraph (C).

"(B) The criteria of subparagraph (A) shall not apply to States—

"(i) with small refugee populations,

"(ii) with low public assistance use by refugees, or

"(iii) with an alternative resettlement plan for which, in the determination of the Administrator, there is a reasonable likelihood of accomplishing the goal of economic self-sufficiency for refugees resettled under such plan.

"(C)(i) The case manager shall develop for each refugee family or unit a resettlement plan to accomplish the goal of economic self-sufficiency, and such plan shall be developed in coordination with the refugee family or unit. The plan shall stipulate a time-frame and sequence for services required to remove barriers to self-sufficiency and secure employment for each employable member of the family or unit.

"(ii) Any services provided to the refugee family or unit which are funded under the provisions of this section shall be determined by the Administrator and shall be provided on the basis of the case manager's assessment of need as reflected by the resettlement plan.

"(iii) The case manager's responsibilities may also include the determination and periodic redetermination of eligibility for cash or medical assistance or both under this section and the distribution of such benefits, if such responsibilities are required under the State plan described in section 412(a)(6)(A) and if such responsibilities would meet the case management criteria which the Administrator establishes under section 412(a)(9)(A).

"(D) For purposes of this paragraph, the term 'case management' means the performance and coordination of services by a service entity to benefit a refugee family or other refugee unit in order to assist a refugee family or unit toward the earliest possible economic self-sufficiency.".

(c) CONDITIONS ON CASH ASSISTANCE.—Section 412(e) (8 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)(A)(i), by inserting "with the case manager, or where no such entity exists," after "registration"; and

(2) in paragraph (6), by inserting "the case manager, or if no such entity exists," after "promptly".

SEC. 11. REPORTING REQUIREMENTS REGARDING RECEPTION AND PLACEMENT GRANTS.

Section 412(b)(7) (8 U.S.C. 1522(b)(7)) is amended—

(1) in subparagraph (A), by inserting before the period at the end thereof the following: "and such aggregated annual reporting as the Secretary may require to assure compliance with this paragraph, including the proportion of such expenditures used for administrative purposes and for provision of services.";

(2) in subparagraph (D), by inserting "adult" after "employment of each";

(3) by striking subparagraph (E); and

(4) by striking the last sentence thereof.

SEC. 12. CASH AND MEDICAL ASSISTANCE.

Section 412(e) (8 U.S.C. 1522(e)) is amended—

(1) in paragraph (1)—

(A) by striking "thirty-six month"; and

(B) by inserting after "United States" the following: "and ending on a date which to the maximum extent practicable is no earlier than 12 months or later than 36 months after such entry";

(2) in paragraph (5), by adding at the end thereof the following new sentence: "Refugees shall not be required to qualify or apply for cash assistance to be eligible for medical assistance."; and

(3) by adding at the end thereof the following: "Notwithstanding any other provision of law, the Administrator, after having conducted the consultations described in subsection (a)(2)(B) shall establish guidelines by which a State may establish a unified system and a set of consistent rules and criteria for the provision of any assistance authorized by this subsection.".

SEC. 13. MATCHING GRANT PROGRAM.

Section 412(c)(1)(A) (8 U.S.C. 1522(c)(1)(A)) is amended by adding at the end thereof the following new undesignated paragraph:

"The authority to make grants under this subparagraph includes the authority to make grants to voluntary agencies on a matching basis.".

SEC. 14. FLEXIBILITY FOR STATES IN THE USE OF SOCIAL SERVICES FUNDS.

Section 412(c)(1)(C) (8 U.S.C. 1522(c)(1)(C)) is amended by striking out "and determines" and all that follows through "Act" and inserting "which would meet the purpose of subparagraph (A)".

SEC. 15. TARGETED ASSISTANCE.

(a) ELIGIBILITY FOR GRANT ASSISTANCE.—Section 412(c)(2)(B) (8 U.S.C. 1522(c)(2)(B)) is amended—

(1) by striking the period at the end and inserting ", and"; and

(2) by adding at the end the following new clause:

"(iii) only for the assistance of aliens who are admitted or otherwise conferred status under section 207 or 208.".

(b) LOCALITIES MOST SIGNIFICANTLY AFFECTED BY REFUGEE POPULATIONS.—Section 412(c)(2) (8 U.S.C. 1522(c)(2)) is amended by adding at the end thereof the following new subparagraph:

"(C)(i) Not less than 10 percent of the grants made under this paragraph shall be available only for localities most significantly affected by the impact of refugee populations (including refugees from secondary migration),

"(ii) The Administrator shall make grants allocated under this subparagraph to assist local schools, hospitals, employment services, and other institutions.".

SEC. 16. LOANS FOR SOCIAL SERVICES LEADING TO EMPLOYMENT.

The Administrator for Refugee and Migration Affairs is authorized to conduct a project through September 30, 1994, which would demonstrate the feasibility of providing loans to refugees for social services leading to employment.

SEC. 17. TECHNICAL AMENDMENTS.

(a) Section 412(b) (8 U.S.C. 1522(b)(1)(A)) is amended—

(1) in paragraph (1)—

(A) by striking "(1)(A) For" and all that follows through "subparagraph (B))" and inserting "(1) For each fiscal year, the Secretary of State"; and

(B) by striking subparagraph (B);

(2) in paragraph (3), by inserting "or such other officer as the President may designate" after "Secretary";

(3) in paragraph (4)—

(A) in the first sentence, by inserting "or such other officer as the President may designate" after "Secretary"; and

(B) in the second sentence, by inserting "or such other officer as the President may designate" after "Secretary";

(4) by striking paragraph (6);

(5) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively;

(6) in paragraph (6)(A) (as so redesignated), by striking "and financial status reports to the Federal agency administering paragraph (1)" and inserting "reports to the Secretary of State";

(7) in paragraph (6)(E) (as so redesignated)—

(A) in the text above clause (i), by striking "Federal agency administering paragraph (1)" and inserting "Secretary of State";

(B) in clause (i), by striking "and the expenditures" and all that follows through "services"; and

(C) by striking "agency administering paragraph (1)" each place it appears and inserting "Secretary of State"; and

(8) in paragraph (7) (as so redesignated)—

(A) by striking "Federal agency administering paragraph (1)" each place it appears and inserting "Secretary of State"; and

(B) in subparagraph (E), by striking "Director" and inserting "Secretary of State".

(b) Section 412(e)(7) (8 U.S.C. 1522(e)(7)) is amended—

(1) in subparagraph (A), by striking "Secretary shall" and inserting "Secretary is authorized to";

(2) by striking subparagraph (C); and

(3) by redesignating subparagraph (D) as subparagraph (C).

(c) Section 301 of the Refugee Act of 1980 is amended by adding at the end thereof the following new subsection:

"(d)(1) There are authorized to be appropriated such funds as may be necessary to carry out this section.

"(2) No funds may be appropriated to carry out this section except pursuant to the authorization contained in paragraph (1).".

SEC. 16. AUTHORIZATION OF APPROPRIATIONS.

(a) SIX-YEAR AUTHORIZATION.—Section 414(a)(1) is amended—

(1) by striking out "1987 and 1988" and inserting in lieu thereof "1993 through 1998"; and

(2) by striking out "(2) through (4)" and inserting in lieu thereof "(2) and (3)".

(b) ELIMINATION OF SEPARATE AUTHORIZATION.—Section 414(a) is further amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(c) REAUTHORIZATION OF REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—Section 102(a) of the Refugee Education Assistance Act of 1980 (Public Law 96-422, as amended) is amended by striking out "1981, 1982, and 1983" and inserting "1991 through 1998".

SEC. 18. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 1992, except that, if the Secretary of Health and Human Services determines and so reports to the Committees on the Judiciary of the House of Representatives and the Senate, that implementation of any amendment can only be made after that date, then such amendment shall take effect on that later specified date, but not later than October 1, 1993. The Secretary shall include in any such report an explanation of his reasons for such determination.

OCTOBER 24, 1991.

Hon. EDWARD KENNEDY,
Chairman, Senate Subcommittee on Immigration and Refugee Affairs, Washington, DC.

DEAR SENATOR KENNEDY: The undersigned organizations and agencies, all of which are actively involved in the development and/or implementation of the U.S. refugee resettlement program, are writing to present our views regarding the reauthorization of the Refugee Act of 1980.

As Congress and the Administration embark on an effort to make changes in the policies and systems which currently govern the refugee resettlement program, we believe that our voice should be heard. We are the key players in the system: the private sector voluntary agencies with direct responsibility for the initial placement and resettlement of refugees upon arrival in the United States; state and local government agencies responsible for the administration of federal funding and direct delivery of human services to refugees; refugee-led community-based mutual assistance associations (MAAs); and others involved in advocacy or social services to promote integration of refugees into American society.

After more than ten years of experience resettling refugees under the 1980 Refugee Act, we are perhaps in the best position to comment on the importance, successes, and shortcomings of the program. As an indication of the seriousness with which we view the need for improvements, many of us have engaged in a series of consultations over the past year in order to develop consensus positions regarding necessary and desirable reforms.

Before presenting our recommendations for reform, we must emphasize that the national refugee resettlement program is being seriously threatened by the erosion of federal financial support. Over the last ten years, funding through the Office of Refugee Resettlement (U.S. Department of Health and Human Services), has been cut in absolute dollars, in addition to being eroded by inflation, by nearly 60 percent. Likewise, over the last 15 years, funding for the reception and placement grants provided by the Bureau of Refugee Programs (U.S. Department of State) has declined at least 55 percent in real dollar value. To sustain the partnership between the public and private sectors, maintain state and local government participation, implement needed reforms, and produce better results for refugees resettled throughout the United States, the federal government must live up to its commitment to adequately finance domestic resettlement.

This letter, written prior to the introduction of any legislation, reflects the agreements we have reached to date.

REFORMS NEEDED: DEFINE THE GOALS OF REFUGEE RESETTLEMENT AND ENHANCE PROGRAM ACCOUNTABILITY

As stated in the Refugee Act of 1980, one of the purposes of the legislation is to promote "effective resettlement." We believe it is now time to define more precisely what is meant by this phrase. In doing so, we hope to clearly articulate the goal of the program, prescribe desirable performance outcomes, provide guideposts for programmatic changes, and promote greater accountability throughout the system.

(1) We propose that the overall goal of domestic resettlement address the social integration of the refugee with the emphasis on durable social and economic self-sufficiency for individuals, refugee families, and new refugee communities.

(2) We believe that it is important to delineate a reasonable time frame for an initial resettlement period. Currently, there are various viewpoints throughout the country with regard to an appropriate time frame.

(3) Initial, as well as longer term, resettlement services should be geared towards the achievement of durable economic self-sufficiency of the refugee family unit. Such a goal corresponds to the desirable outcome of reducing the need for refugees to rely on public assistance. It also will encourage service providers to take into account critical factors such as family size and composition, since most refugee families, like most American families, need more than one breadwinner to survive. Furthermore, such a goal places early employment in proper context: as a means to an end, rather than as a goal in and of itself. Finally, defining the goal as durable self-sufficiency will encourage an awareness of the need for employment stability and job mobility via upgrading educational, and training opportunities.

(4) To better enable more refugees to achieve durable self-sufficiency as quickly as possible, there is a need for a single point of programmatic accountability for each newly arriving refugee family, especially during an initial resettlement period. Some background here is necessary: A common criticism in many areas is that the local service delivery system is fragmented. For example, it is not uncommon for newly arrived refugees to have to contend with a different agency for every service needed—the sponsoring voluntary agency for reception and placement assistance, the public health clinic for initial health screening, the public assistance office for financial and medical assistance, the community education institution for English class, the jobs agency for employment assistance, and other community organizations for social adjustment services. The recommendation is to designate a specific service provider with the responsibility for helping each newly arrived refugee family negotiate the service system in a way that achieves the desired outcome of durable economic self-sufficiency within the initial resettlement phase. The essential strategies of such a single point of programmatic accountability would be to (1) develop a resettlement plan with each newly arriving family regarding goals and services needed to reach those goals; and (2) ensure that the service system responds to the needs of the family in a manner that produces the desired outcome. Adequate funding for these reforms and other resettlement strategies must be authorized and appropriated.

(5) Some important caveats need to be mentioned. First, because of age, disability and other factors, there are a few refugees and refugee family units for whom economic self-sufficiency is simply not feasible. There are some others who have special needs that require targeted and tailored services from their date of arrival and extending beyond the initial resettlement phase. Second, although we clearly want national goals articulated and program accountability enhanced, outcome projections must be specific to local jurisdictions, taking into account variable economic conditions and the characteristics of the refugee populations being resettled there. Third, consistent with the concept of a national resettlement program and national goals, there should be flexibility at the local level to allow for targeted approaches to address local needs. And fourth, jurisdictions with objectively effective programs, including those states with small refugee populations, should have the option to maintain current service delivery systems as long as they continue to be effective and meet national goals.

(6) We recognize that reforms related to the initial resettlement process may be the focus of the reauthorization debate over the next few months. Nonetheless, we believe that it is essential to underscore the importance of long-term resettlement services and the federal responsibility to provide adequate financial support for such services. Ongoing services are critical for families who are marginally employed and need help to enhance their skills and employment opportunities in order to achieve durable self-sufficiency; for families who have not become self-sufficient, but who can become so with appropriate support and assistance; and for those special populations with ongoing service and assistance needs.

Long-term resettlement services should be consistent with the domestic resettlement program's overall goal of social integration of the refugee with the emphasis on durable social and economic self-sufficiency for individuals, refugee families, and new refugee communities. Therefore, such services should facilitate the ability of refugees to participate in the mainstream institutions and as well as to access mainstream services that are appropriate for and sensitive to refugee populations. Finally, we wish to emphasize the importance of refugee mutual assistance associations as service providers and community building agents. Their capacity and strength are essential components of the full integration of new communities into the fabric of American society.

(7) We recognize that there are a number of other programmatic and structural considerations which are relevant to the reauthorization of the Refugee Act of 1980. We hope to address these matters at a later date.

THE IMPORTANCE OF A NATIONAL REFUGEE RESETTLEMENT PROGRAM

We cannot overemphasize the importance of an effective domestic resettlement program. The program saves lives, promotes the protection of refugees worldwide, enables refugees to start new lives, and helps local communities to respond appropriately.

For instance, by upholding our nation's tradition as a safe haven for the oppressed and persecuted, we set an example for the rest of the world. The more able the United States is to admit refugees, the more willing are other countries to provide first asylum, temporary protection, and permanent resettlement. And since less than 1% of the world's 17 million refugees are admitted to the United States each year, America's lead-

ership affects the fate of millions of refugees who will never come here, but whose future will be determined by other countries.

On the homefront, an effective resettlement program is important so that refugees can more quickly adapt to their new country, become economically self-sufficient, and ultimately fully participate in and contribute to their new communities. Likewise, federal leadership and an effective program encourage the public and private sectors to extend a welcoming hand to new arrivals in order to help them effectively integrate into local communities.

It is in light of the fundamental humanitarian character of U.S. refugee policy and the need for a strengthened resettlement program to sustain it that we offer our views on the reauthorization of the Refugee Act of 1980.

We look forward to continuing our work with Congress as we debate and develop ideas to strengthen our nation's commitment to refugee rescue, protection, and resettlement.

Sincerely,

THE UNDERSIGNED ORGANIZATIONS

National agencies

A. Phillip Randolph Institute.
American Council for Nationalities Service.
American Jewish Committee.
American Public Welfare Association.
American-Arab Anti-Discrimination Committee.
Cambodian Network Council.
Church World Service, Immigration and Refugee Program.
Council of Jewish Federations.
Ethiopian Community Development Council.
Hebrew Immigrant Aid Society.
Indochina Resource Action Center.
International Rescue Committee.
Lutheran Immigration and Refugee Service.
National Association for the Education and Advancement of Cambodian, Laotian, and Vietnamese Americans.
National Conference of State Legislatures.
National Governors Association.
National Immigration Project of the National Lawyers Guild.
New York Association for New Americans.
Tolstoy Foundation.
United Methodist Committee on Relief.
United States Catholic Conference/Migration and Refugee Services.
United States Conference of Mayors.
World Relief.

State and local government agencies

County of Orange, CA.
County Welfare Directors Association of California.
Division of Refugee Assistance, State of Washington.
Kansas Department of Social and Rehabilitation Services.
Maryland Office of Refugee Affairs.
Massachusetts Office for Refugee and Immigrants.
New York State, Department of Social Services, Bureau of Refugee and Immigrant Affairs.
Office of Community Services, State of Hawaii.
Ramsey County Human Services, St. Paul, MN.
Refugee Coordinator's Office, City of Portland.
Refugee Coordinator's Office, State of Virginia.
Refugee Resettlement Program, State of Arizona.
Rhode Island Office of Refugee Resettlement.
South Carolina Department of Social Services.
St. Paul Mayor's Office, Minnesota.
Utah Department of Human Services—Refugee Program.
West Virginia Office of Income Maintenance.

Local agencies

Archdiocese of Louisville, KY.
Archdiocese of St. Louis, MO.
Associated Catholic Charities, Immigration and Resettlement Services, New Orleans, LA.
California Refugee Resettlement Program of Catholic Social Services, Sacramento, CA.
Cambodian Association of Illinois.
Cambodian Mutual Assistance Association.
Caritas of Austin, TX.
Catholic Charities, Diocese of Dallas, TX.
Catholic Charities, Diocese of Oakland, CA.
Catholic Charities, Migration and Refugee Services, Hartford, CT.
Catholic Charities, Monterey, CA.
Catholic Charities of Buffalo – Diocesan Resettlement, Buffalo, NY.
Catholic Charities of Los Angeles/Refugee Resettlement Program.
Catholic Charities of Tennessee, Inc. – Refugee Resettlement Program.
Catholic Charities of the Diocese of Pittsburgh.
Catholic Charities of the Archdiocese of St. Paul/Minneapolis, MN.
Catholic Charities, Parasocial Ministry, Diocese of Rockford, IL.
Catholic Community Services, Miami, FL.
Catholic Community Services, Migration and Refugee Services, Baton Rouge, LA.
Catholic Community Services, Portland, OR.
Catholic Family Services, Inc., Refugee and Citizenship Division, Amarillo, TX.
Catholic Social Ministries, Oklahoma City, OK.
Catholic Social Ministries, Refugee Resettlement, Fayetteville, NC.
Catholic Social Services Bureau – Refugee Resettlement Program, Lexington, KY.
Catholic Social Services, Diocese of Madison, WI.
Catholic Social Services, Diocese of Charlotte, NC.
Catholic Social Services Migration and Refugee Center, Biloxi, MS.
Catholic Social Services of Indianapolis, IN.
Catholic Social Services of Sacramento, CA.
Catholic Social Services, Pensacola, FL.
Catholic Social Services, Providence, RI.
Center for Immigrant Rights, New York, NY.
Chinese Mutual Aid Association, Chicago, IL.
Church World Service of North Carolina.
Coalition for Humane Immigrant Rights of Los Angeles.
Coalition for Immigrant and Refugee Rights and Services, San Francisco, CA.
Davenport Resettlement Office, Davenport, IA.
Diocese of Honolulu Catholic Immigration Center, Honolulu, HI.
Diocese of Lafayette, Migration and Refugee Services, Lafayette, LA.
Diocese of Wheeling-Charleston, West Virginia—Migration and Refugee Services.
Dolores Mission Church, Los Angeles, CA.
Employment Opportunities Center, Seattle, WA.
Ethiopian Community Association of Chicago.
Ethiopian Community Association of North Carolina.
HIAS and Council Migration Service of Philadelphia.
Home Lao Association, Raleigh, NC.
Intercultural Mutual Assistance Association, Rochester, MN.
International Institute of Boston.
International Institute of Los Angeles.
International Institute of New Jersey.
International Institute of Rhode Island.
Jewish Family Services of Columbus, OH.
Jewish Federation of Metropolitan Chicago.
Khmer Aid Group, Triad, NC.
Khmer Community of Seattle-King County.
King County Refugee Planning Committee, Seattle, WA.
La Crosse Area Hmong Mutual Assistance Association, Lacrosse, WI.
Lao-American Community Services, Chicago, IL.
Loatian Family Association, Inc., Greensboro, NC.
Lutheran Family Service Refugee Program, Portland, OR.
Lutheran Family Services in the Carolinas, Inc.
Lutheran Ministries of Florida, Tampa, FL.
Lutheran Ministries of Georgia.
Lutheran Service Associates of New England.
Lutheran Social Ministries of New Jersey.
Lutheran Social Services of Michigan.
Lutheran Social Services of Northeast Florida, Jacksonville, FL.
Lutheran Social Services of Texas.
Lutheran Social Services of Wisconsin and Upper Michigan.
Lutheran Social Services of South Dakota.
Lutheran Social Services of Michigan.
Metro Committee for Refugees.
Migration and Refugee Services, Tucson, AZ.
Migration and Refugee Services, Diocese of Charleston, SC.
Montagnard Dega Association.
New Jersey Immigration Policy Network.
Oregon Refugee Forum.
Portland Community College, Portland, OR.
Prince George's County Coalition for the Foreign Born, Inc., College Park, MD.
Proyecto Adelante, Dallas, TX.
Proyecto Libertad, Harlingen, TX.
Proyecto Pastoral, Los Angeles, CA.
Refugee Assistance Program, U.S. Catholic Conference, Seattle, WA.
Refugee Committee, Episcopal Diocese of Washington.
Refugee Federation Services Center, Seattle, WA.
Refugee Resettlement Coordinator's Office for the Diocese of La Crosse, WI.
Refugee Resettlement Office of the Diocese of Manchester, NH.
Refugee Resettlement Program, Catholic Family Services, Diocese of Rochester, NY.
Rhode Island College, Center for Industrial Technology.
Rhode Island College, PROJECT GRAPHIC (Giving Refugees a Promising Head Start in Computers).
Rhode Island Refugee Services Network.
Rick Swartz and Associates, Washington, DC.
Seattle-King County Private Industry Council.
The Intercultural Communication Institute, Portland, OR.
The Network Office—Refugee Department, Vancouver, WA.

Travelers and Immigrants Aid, Chicago, IL.
Tressler Lutheran Services, Mechanicsburg, PA.
Triad Refugee Interfaith Program, Greensboro, NC.
Triangle Refugee Action Council, Raleigh, NC.
U.S. Catholic Conference—Catholic Social Services, Mobile, AL.
U.S. Catholic Conference of Houston, TX.
United Jewish Appeal—Federation of Jewish Philanthropies of New York, Inc.
United Refugee Services, Madison, WI.
Utah Refugee Advisory Council, Logan, UT.
Vietnam Freedom Fighters Alliance, Portland, OR and Vancouver, WA.
Vietnam Navy Friendship Association, Portland, OR.
Vietnamese Association of Illinois.
Vietnamese Catholic Community, Portland, OR.
Vietnamese Community in Washington, D.C., Maryland and Virginia.
Vietnamese Community of Raleigh, Raleigh, NC.
Vietnamese Fisherman's Assocation of America, Oakland, CA.
Vietnamese Friendship Association, Seattle, WA.
Washington Lawyers Committee for Civil Rights Under Law, Washington, DC.

• Mr. SIMPSON. Mr. President, I am pleased to join my colleague, Senator KENNEDY, in introducing legislation to reauthorize the Domestic Resettlement Programs of the Refugee Act of 1980.

This legislation provides for a 6-year reauthorization of the programs established to facilitate the integration of refugees admitted from abroad into our economy and our society. This relatively long reauthorization period is justified, I believe, by the important substantive changes that the legislation would make. It is the goal of this legislation to solve the most serious problems that now face our Refugee Resettlement Program: First, lingering welfare dependency problems of refugees in certain States; and second, declining Federal reimbursement of State and local resettlement costs during an era of high refugee admissions.

First, the legislation would require the executive branch to inform Congress earlier in the year about its plans for admitting refugees in the next fiscal year. If the executive branch decides to admit more refugees than it had earlier budgeted for admission, then it must inform Congress of where resources for the additional refugee admissions will be found.

Second, the legislation would elevate the Office of Refugee Resettlement within the Department of Health and Human Services from the lower depths that it now inhabits to the Office of the Secretary. The Office Director would be given Administrator status, similar to that now given to the Administrator of Aging. I firmly believe that this move will enhance the attention that our refugee resettlement programs deserve.

Third, the bill would insert more flexibility and efficiency into the process by which State governments now apply for and receive Federal dollars to help resettle refugees. Refugee resettlement is a shared Federal-State responsibility. Therefore, a minimum of bureaucracy should be interjected into the Federal-State relationship, and this bill will reduce and simplify current administrative requirements for State governments.

Finally, this bill would require a system of case management in those States where there are: First, sizable refugee populations; and second, substantial refugee welfare dependency problems. The case management system requires greater accountability of refugees to the providers of services to those refugees. Many refugee experts believe that case management will lead to a significantly lower level of refugee welfare dependency. Because refugee welfare dependency problems have persisted over the past 10 years, I believe it is time to try innovative and novel approaches to promoting economic self-sufficiency. I do have some reservations about the plan created by this legislation, and I would encourage comment on this bill's proposal by interested parties. However, I strongly share the objective of case management—the reduction of welfare dependency—and I pledge to work closely with Senator Kennedy, the subcommittee chairman, to resolve any concerns that arise because of this proposal.

Mr. President, I have been very concerned in recent years over the combination of rising refugee admissions levels and declining Federal assistance to the States and localities where these refugees go to live. I look forward to working to achieve a reasonable balance between admissions levels and effective domestic resettlement, and I urge my colleagues to participate in processing this legislation in order to achieve these goals.•

By Mr. GLENN (for himself, Mr. LEVIN, Mr. PRYOR, Mr. SASSER, Mr. LIEBERMAN, Mr. AKAKA, Mr. METZENBAUM, Mr. DURENBERGER, and Mr. CHAFEE):

S. 1942. A bill to provide for procedures for the review of Federal department and agency regulations, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY REVIEW SUNSHINE ACT

• Mr. GLENN. Mr. President, I rise today to introduce the Regulatory Review Sunshine Act of 1991, legislation designed to bring greater openness and public accountability to the Federal regulatory process.

As my fellow Senators are well aware, openness is one of the guiding principles of democracy, and of our Nation. Our Founding Fathers intended for us to have an informed citizenry empowered to make political, economic, and social decisions through a free press, the right to assemble, and the right to participate in Government. It is impossible, however, for the citizenry to make such judgments without access to information on Government decisionmaking. This public right to know is essential if we are to have a government "for the people and by the people."

In the early days of our Nation, openness and accountability in government was most evident in town meetings. Townsfolk, local officials and the press all attended to witness and debate major issues confronting the community. On a national level, the House and Senate leadership built galleries from which the public could view congressional debate.

Today, our laws have grown more complex, as have our legislative and executive branches of Government. Still, members of the public can watch Senate debate from the gallery above me. Or they can see it on C-SPAN. Likewise, they can attend most hearings and markups.

In the executive branch, the growing complexity and impact of its work has also required that we come up with new methods to ensure pubic accountability. The Administrative Procedure Act, the Freedom of Information Act, and the Government in Sunshine Act are perhaps the most notable of these efforts to maintain openness in the executive branch. However, they appear to be not enough. Over the last decade, we have seen the Bush and Reagan administrations implement a process of Presidential regulatory review that has undermined the basic principles of openness and public accountability in Government. Both administrations have invoked the foil of executive privilege to prevent the public from knowing about their regulatory decisions for fear of the potentially damaging political consequences.

As chairman of the Committee on Governmental Affairs, I have been involved in the oversight of how the executive branch implements congressionally enacted law through the rulemaking process. Over the last 5 years, I've held a number of hearings on how both administrations, through the hand of OMB, has weakened Federal agency rules in the areas of environmental protection, health care reform, alcohol labeling, and worker safety. Unfortunately, the when, where, and why of OMB's actions are difficult to determine, primarily because there has been so little record made available to the public of OMB's involvement in the regulatory process.

Last year, I thought we had solved this problem of openness in presidential regulatory review. The administration and members of both the Senate Governmental Affairs and House Governmental Operations Committees reached bipartisan agreement to impose new regulatory review procedures on OMB as part of reauthorization of

the Paperwork Reduction Act. Unfortunately, the legislation died in the waning moments of the last Congress, thanks to anonymous Republican holds apparently engineered by certain factions within the administration.

This year when I went to reintroduce the same bipartisan agreement, the administration backed away from its support. I found this to be a disturbing development. I found it even more disturbing to learn that while on one hand the administration was supposedly negotiating in good faith on OMB regulatory review procedures, on the other it was developing a whole new process of regulatory review—this time conducted by the Vice President's Council on Competitiveness.

A number of reports have come out recently of how the Council and OMB have rewritten EPA rules on the Clean Air Act and Wetlands Protection as well as OSHA standards on formaldehyde exposure in the workplace. However, these reports are just that, reports based largely on leaks of information combined with some fact and some supposition. When I held a hearing on October 24 to try to corroborate the information in these reports, the administration refused to send a witness to respond to our questions. Other witnesses at the hearing, however, pointed to heavy-handed intervention by the Council and OMB in agency rulemaking decisions. Without public access to the regulatory review process, neither Congress, the courts, nor the public can know for sure what the true story is behind the involvement of OMB and the Council in regulatory review.

The Regulatory Review Sunshine Act would open up the Federal regulatory review process to the public eye. Agencies would be required to publish in the Federal Register a list of rules being reviewed by the administration, as well as explain how such review has affected their rulemaking decisions. The Council and OMB would have to disclose to the public and the rulemaking agency a record of all documents pertaining to review of an agency's rules, including communications with organizations outside of the Government. They would also have to comply with reasonable time limits on regulatory review.

I would like to point out that this legislation does not deny the right of the President to review agency rules. I believe Presidential regulatory review is an entirely appropriate process, if it is done fairly to bring needed balance to Federal rulemaking. However, our oversight has shown that this has not been the case. We therefore need this legislation to bring openness and accountability to this process and to ensure that all views are heard and given equal consideration in regulatory review.

The importance of sunshine and openness in the Federal Government cannot be overemphasized. I firmly believe that if a policy or decision of the Federal Government cannot stand up to public scrutiny, then it was a bad choice in the first place. Secrecy in Government is a sign that we don't have confidence in the American public. And a government that does not have confidence in its people is not the kind of Government our Nation's Founders intended for us to have.

To ignore the need for this legislation is to turn a blind eye toward how backdoor lobbying and behind-closed-doors dealmaking can unfairly sway decisionmakers, intimidate agency scientific and technical experts, and ultimately undermine the implementation of law. I ask unanimous consent that a copy and summary of the legislation, as well as several articles on the Council on Competitiveness, be inserted into the RECORD.

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

S. 1942

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 "Regulatory Review Sunshine Act of 1991".

SEC. 2. DEFINITIONS.

For purposes of this Act, the term—

(1) "agency" means an agency as defined under section 551(1) of title 5, United States Code, and section 552(f) of title 5, United States Code;

(2) "regulatory review" means the evaluation, review, oversight, supervision, or coordination of agency rulemaking activity by a reviewing entity directed by the President or his designee to conduct such review;

(3) "reviewing entity" means any agency, or other establishment in the executive branch of the Federal Government established by the President, which engages, in whole or in part in regulatory review;

(4) "review action" means any action, including but not limited to a recommendation or direction, regarding an agency rulemaking activity taken by a reviewing entity; and

(5) "rulemaking activity" means any activity involving a rulemaking as defined under section 551(5) of title 5, United States Code, and includes activity involving a schedule or plan for rulemaking, strategy statements, guidelines, policy manuals, grant and loan procedures, advance notices of proposed rulemaking, press releases and other documents announcing or implementing regulatory policy that affects the public.

SEC. 3. DISCLOSURE BY A REVIEWING ENTITY.

(a) PUBLIC ACCESS.—A reviewing entity shall establish procedures, consistent with subsection (b), to provide public access to information concerning each agency rulemaking activity under its review. Such information shall include a copy of—

(1) all written communications, regardless of format, including drafts of all proposals and associated analyses, between the reviewing entity and the rulemaking agency;

(2) all written communications, regardless of format, between the reviewing entity and any person not employed by the Federal Government;

(3) a summary, including date, participants, and substance, of all oral communications relating to the substance of an agency rulemaking activity, including meetings, between the reviewing entity and the rulemaking agency or any person not employed by the Federal Government;

(4) a written explanation as required by section 4(c) and the date of any significant review action;

(5) any notice of any extensions of review under section 6; and

(6) a register for each rulemaking activity which shall identify the rulemaking activity, the rulemaking agency, the date of receipt by the reviewing entity of the rulemaking activity, any review actions, the date of such actions, and the authority for review.

(b) PROCEDURES.—Information described under subsection (a) shall be made available to the public upon request—

(1) within 5 working days of receipt or creation by the reviewing entity;

(2) in a manner consistent with the requirements of section 552(a) of title 5, United States Code; and

(3) for review, and copying, in a publicly accessible reading room during normal business hours.

SEC. 4. DISCLOSURE TO A RULEMAKING AGENCY BY A REVIEWING ENTITY.

(a) WRITTEN COMMUNICATIONS.—A reviewing entity shall transmit to the rulemaking agency, on a timely basis, copies of any written communications between the reviewing entity and any person not employed by the Federal Government concerning the substance of a rulemaking activity of that agency.

(b) ORAL COMMUNICATIONS.—A reviewing entity shall disclose to the rulemaking agency, on a timely basis, all oral communications, including meetings, between any person not employed by the Federal Government and the reviewing entity concerning the substance of a rulemaking activity of that agency. The reviewing entity shall—

(1) advise the rulemaking agency of the date, participants, and substance of such communications; and

(2) invite the rulemaking agency head or designee to all scheduled meetings involving such communications.

(c) EXPLANATION OF SIGNIFICANT REVIEW ACTION.—A reviewing entity shall, in a timely manner, provide the rulemaking agency with a written explanation of any significant review action taken by the reviewing entity concerning an agency rulemaking activity.

SEC. 5. PUBLIC DISCLOSURE BY A RULEMAKING AGENCY.

(a) EXPLANATIONS.—For each proposed and final rule, a rulemaking agency shall explain in its rulemaking notice any significant changes made to such rule as a consequence of regulatory review.

(b) RECORD.—A rulemaking agency shall place in the appropriate rulemaking record all of the documents received from a reviewing entity as required under section 4.

SEc. 6. TIME LIMITS FOR REVIEW.

(a) TIME LIMITS.—Within 60 days after the receipt of a rulemaking activity submitted to a reviewing entity for review, the reviewing entity shall conclude review of the rulemaking activity. The reviewing entity may, for good cause explained to the rulemaking agency extend the time for review for 30 days.

(b) RESOLUTION OF OUTSTANDING ISSUES.—If the President, or such other person or entity as the President may designate, reviews for resolution an issue arising out of a regulatory review—

(1) the applicable time limits described under subsection (a) may be extended, al-

though any such issue shall be resolved as promptly as practicable; and

(2) any such review shall be subject to the requirements of this Act, except for section 6(a).

(c) EXTENSIONS.—A reviewing entity shall notify the rulemaking agency of an extension beyond 60 days and provide public notice, pursuant to section 3. The rulemaking agency shall promptly publish a notice of any such extension in the Federal Register.

SEC. 7. PUBLIC ACCOUNTING OF REGULATORY REVIEW.

(a) PUBLICATION OF ACCOUNTING.—The Office of Management and Budget shall prepare and make available to the public a monthly and an annual accounting of regulatory review conducted by any and all reviewing entities. Such accounting shall include a list of all rulemaking activities submitted to a reviewing entity for review, under review by a reviewing entity, or for which a review action was taken by a reviewing entity during the reporting period.

(b) INFORMATION INCLUDED IN ACCOUNTING.—The monthly accounting required under subsection (a) shall be prepared and made available to the public within 10 working days of the end of each month and shall include the name and type of each rulemaking activity reviewed, the reviewing entity, the rulemaking agency, the date of submission, the status of review, any review action, and the date of such action.

(c) FEDERAL REGISTER PUBLICATION.—Each rulemaking agency shall publish in the Federal Register within 10 working days for the end of each month a list of all rulemaking activities undergoing regulatory review during the preceding month. Such list shall include the name and type of each rulemaking activity, the reviewing entity, the date of submission, any review action taken during the reporting period, and the date of any such action.

SEC. 8. EXCLUSIONS.

Oral communications with the President, the Vice President, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, and the heads of executive departments as defined under section 101 of title 5, United States Code, are not covered by this Act.

SUMMARY, PROPOSED LEGISLATION—REGULATORY REVIEW SUNSHINE ACT OF 1991

This legislation establishes basic public accountability procedures for executive branch regulatory review of Federal agency rulemaking activity.

A decade of congressional oversight of OMB regulatory review has built a strong record for this bill. The Governmental Affairs Committee's October 24, 1991, hearing on the Council on Competitiveness has now shown the urgent need for it.

The bill is based on previous legislation considered by the Governmental Affairs Committee (from Senator Levin's 1982 regulatory reform amendments, to title II of this year's S. 1044, introduced by Senators Glenn, Levin, and Akaka). It also reflects provisions initially agreed to by the Administration in negotiations with the Committee in October 1990, as well as between the Administration and the House Government Operations Committee in November 1989.

The legislation establishes basic procedures for any regulatory review process created by the President, including OMB and the Council on Competitiveness. This is made clear by the broad definitions of "regulatory review," "reviewing entity," "review action," and "rulemaking activity" (sec. 2. Definitions).

I. DISCLOSURE BY A REVIEWING ENTITY (SEC. 3)

The reviewing entity is required to create procedures for making the following information available to the public:

(1) All written communications between the reviewing entity and the rulemaking agency;

(2) All written communications between the reviewing entity and any non-governmental party;

(3) A summary of substantive oral communications between the reviewing entity and the rulemaking agency or any non-governmental party;

(4) A written explanation of any significant review action;

(5) Notice of any extension of regulatory review; and

(6) A register of rulemaking activities under review.

A reviewing entity must place this information in a public reading room within a week. It must also provide public access to the information as required by the Freedom of Information Act.

II. DISCLOSURE TO A RULEMAKING AGENCY BY A REVIEWING ENTITY (SEC. 4)

Regulatory review entities are required to inform rulemaking agencies about regulatory review, by sending them:

(1) Written communications between the reviewing entity and any non-governmental party;

(2) A description of oral communications between the reviewing entity and non-governmental parties, and an invitation to attend such meetings; and

(3) An explanation of significant review actions.

III. PUBLIC DISCLOSURE BY A RULEMAKING AGENCY (SEC. 5)

Rulemaking agencies are required to place materials received from the reviewing entity in the rulemaking record, and to explain in all rulemaking notices any significant changes made to the rule as a result of regulatory review.

IV. TIME LIMITS FOR REVIEW (SEC. 6)

Regulatory review is to be concluded within 60 days. The reviewing entity may, for good cause explained to the rulemaking agency, extend its review for 30 days.

If the President, or someone designated by the President, reviews an issue arising out of regulatory review the review time limits may be extended, although such issue shall be resolved as promptly as practicable, and such review shall be subject to the public disclosure and agency notice requirements of the Act.

The reviewing entity must notify the rulemaking agency of any extension beyond 60 days, and the rulemaking agency must then publish a notice of the extension in the Federal Register.

V. PUBLIC ACCOUNTING OF REGULATORY REVIEW (SEC. 7)

The Office of Management and Budget (OMB) shall prepare and make available to the public a monthly and an annual accounting of the regulatory review activities of all reviewing entities. Each rulemaking agency shall publish a monthly listing in the Federal Register of all rulemaking activities undergoing regulatory review during the preceding month.

VI. EXCLUSIONS (SEC. 8)

Oral communications with the President, the Vice President, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, and the heads of the Executive Departments, as defined by 5 U.S.C. 101, are not covered by this Act.

[From Time, Nov. 4, 1991]

THE ADMINISTRATION: NEED FRIENDS IN HIGH PLACES?

(By Michael Duffy)

WASHINGTON. William Reilly thought he had a deal. The besieged chief of the Environmental Protection Agency was certain Dan Quayle had agreed that any piece of land that was flooded or saturated with water for 15 consecutive days a year would constitute a "wetland" and deserved protection from private development. The next day Reilly received a call from Allan Hubbard, who heads Quayle's Council on Competitiveness, telling him the deal was off. Within days the council hatched a new plan, narrowing the definition of "wetness" by six extra days, satisfying a powerful coalition of farmers and builders and reducing America's wetlands by as much as 30 million acres.

Reilly was privately steamed. If George Bush persuaded Congress last year to pass most of his kinder, gentler, legislation untouched, Quayle's Council on Competitiveness is spending much of this year making sure that the new environmental and health laws are as beneficial to business as possible. California Democrat Henry Waxman calls the council a "shadow government." Senator Albert Gore believes that the mysterious body allows Bush to pose as an environmentalist long enough "to justify a television commerical. Then, behind the scenes, the [council[guts the law."

Bush created the panel in 1989 but gave it new powers a year later, when he began hearing complaints from friends that his government was reregulating industries that the Reagan Administration had sought to deregulate. Not long afterward, the President appeared before aides one morning waving a newspaper clipping about reregulation and asking, "What's going on here?" Bush, who headed a task force on regulatory relief as Vice President, asked Quayle to review new regulations to make sure that costs would not outweigh benefits. Lacking a high-profile White House role at the time, Quayle jumped in with both feet.

This is no renegade operation: Bush, chief of staff John Sununu and Budget Director Richard Darman are fully apprised of the panel's activities. When such agencies as the EPA and the White House differ over how aggressively to implement a law, the council moves in to referee. Staffed by fewer than a dozen officials, who are, even by Bush White House standards, unusually conservative, the council regularly sides with business against the environment. Even Administration officials marvel at how powerful the body has become. "Because Quayle has Bush's total confidence," said a former Administration official, "nobody can touch those guys."

The council's favorite target is the 1990 Clean Air Act, which the White House backed but now fears will cost more than $26 billion to implement. Last summer the council asked the EPA to make more than 100 changes in proposed regulations for carrying out the act, changes that top EPA officials say undercut the law. The most controversal proposed change would allow polluters to unilaterally increase their emissions if states ignore a waiver request for more than seven days. "You could drive a big truck through some of those holes," said a top EPA official.

The council has also opposed an EPA plan to require liners and leachate collection systems at all new solid-waste landfills. For nearly a year, the council argued that the plan was too costly, though other officials noted that in the past five years no city has permitted the construction of a new landfill without such equipment. The nation is short on landfills, and the rules for creating new sites already three years behind schedule.

Hubbard, a gregarious Indian entrepreneur who ran Pierre du Pont's 1988 presidential bid, points out that thse who object to the council's rulings are free to mount challenges in the courts. Hubbard says the council's goal is to improve the nation's competitiveness, not to shelter industry from regulation. "The higher the cost of the regulation, the higher the cost of the product to the consumer," he explains. "Our whole effort is to protect the consumer and the American worker."

There's a little more to it than that. The council is potentially a political gold mine for Quayle, who often refers businesspeople with complaints about government meddling to his eager staff of deregulators. The council spearheaded Quayle's attack on lawyers and excess litigation last August, and is preparing to move beyond reviewing new regulations to tackling rules already in place. While Quayle's detractors dismiss the Vice President as silly and feckless, his shrewd handling of the council's affairs in just another sign that he is taking full advantage of his office.

For Bush, who in the midst of a sluggish recovery can neither pass out tax cuts nor launch spending programs to promote economic growth, the council is "the only game in town," an official said. "The one thing that can cause George Bush problems in 1992 is the recession." The council also exemplifies Bush's have-half approach to political problems. In 1992 he can run as an environmentalist while telling industrialist he's on their side too.

[From the National Journal, July 6, 1991]

QUAYLE'S QUIET COUP

(By Kirk Victor)

Even as Jay Leno continues to dish out one-liners at his expense and David Letterman jabs him with brutal barbs, Vice President Dan Quayle is ever-so-quietly beginning to get the last laugh. As the chairman of the President's Council on Competitiveness, Quayle has become the Bush Administration's point man in shaping the nation's regulatory agenda—a role that has delighted the business community and dismayed public-interest groups.

Among the first to say that the standup comics are far off the mark in portraying Quayle as Bush's brainless second banana are environmental activists, who have been stung by what they see as the council's repeated efforts to weaken the Environmental Protection Agency's (EPA's) proposed regulations for the 1990 Clean Air Act.

Liberal lawmakers have joined the activists in denouncing the council, calling it the base of operations for a small band of zealots who do the bidding of business interests under the guise of promoting U.S. competitiveness. But as the critics' rhetorical level rises, so too have countervailing noises from industry representatives and others who praise the council's willingness to subject the proposals of government agencies to stringent cost-benefit analyses.

It's no surprise that the group has stirred up so much consternation in some quarters. It has weighed in on issues from national recycling requirements to emissions standards for industries throughout the country. On these and other contentious matters, it has turned into something of a court of last resort for parties who feel that they haven't gotten a fair shake from federal bureaucrats. "When they feel like they are being treated unfairly, they come to us," said Allan B. Hubbard, the council's executive director and Quayle's deputy chief of staff.

The council's clout has been so great, particularly in taking aim at EPA's proposals, that Rep. Henry A. Waxman, D-Calif., chairman of the Energy and Commerce Subcommittee on Health and the Environment, angrily denounced it in an interview and even wondered how long top EPA officials could live with having their decisions systematically undermined by White House aides whose primary allegiance, he said, is to business interests.

"The Environmental Protection Agency, by and large, is trying to live up to the law and follow what they think is the right course from a policy perspective, based on their expertise, and then they get overturned by a group that has no knowledge about the law, no expertise in the field, but only is responding to pressures from industry," Waxman said. "We have a pretty clear sense from EPA that they're not happy, but their hands are tied and they feel they don't have the power to stand up to the council."

EPA administrator William K. Reilly, however, maintained that his agency—not the council—makes the final call. "They have no authority to direct me in how I'll administer the law."

But Waxman is adamant that the council has overstepped its authority. "It's unacceptable to me as a Member of Congress to have the law flouted by an agency that is not spelled out in any law or in the Constitution as having this kind of centralization of power to operate behind the scenes and to respond solely to the pressures of big business," he said.

Asked about the council's authority, Hubbard referred to Executive Order 12291, issued by President Reagan on February 17, 1981, which created the Task Force on Regulatory Relief, chaired by then-Vice President George Bush. The President's Council on Competitiveness is the task force's successor.

Hubbard also had a suggestion for Waxman and other critics, who contend that the council is unlawfully meddling in the rulemaking process and conducting its business in secret. "Whenever a regulation is issued that someone thinks is inconsistent with a statute, all they have to do is to take it to court, and the court will adjudicate the matter," Hubbard said. (In April, the Natural Resources Defense Council Inc. [NRDC] sued EPA to force the agency to adopt recycling regulations that the competitiveness outfit had crushed.)

Hubbard pointed out that all proposed regulations must be published so the public has an opportunity to comment on them before a final rule is issued. But he acknowledged that in reviewing a proposed regulation or the draft of a final regulation, "we don't ask 250 million Americans to come in and help us."

Hubbard and David M. McIntosh, the council's soft-spoken deputy director, portray the group as a neutral body with no preconceived agenda. The council, Hubbard said, is simply "driven by the numbers and by the desire to minimize regulations and to make regulations as unburdensome as possible while meeting the requirements of the statutes."

Hubbard's characterization provokes scorn from Rep. Gerry Sikorski, D-Minn., a member of Waxman's subcommittee. "What you have here is a special-interest waltz that they do," he said. "Then they come out and say [a proposal] is anti-business."

THE REDTAPE BRIGADE

Hubbard and McIntosh insist that their mission is simply to carry out President Bush's marching orders. Bush recently praised the council for attacking "the scourge of unnecessary regulation," which he contended cost the economy $185 billion last year. Because about half of the cost stems from environmental rules, McIntosh said, EPA regulations are the subject of much of the council's work.

The White House's renewed assault on regulations came after Bush had heard criticism from friends in the business community that his Administration was reversing what he had accomplished as Vice President by issuing lots of "extraneous regulations," said Wayne H. Valis, who, as a member of the Reagan White House staff, had worked with Bush in the early 1980s on the regulatory reform effort.

So upset was Bush about tales of burgeoning regulations that over the 1989 Christmas holidays, he directed a top aide to track Valis down—finally contacting him as he was riding a camel in Egypt—to set up a meeting to discuss how the earlier effort on regulatory relief had worked. Within months, the council got a jump-start.

Though it had been established on March 31, 1989, the council initially seemed to be little more than a facade that allowed the Administration to at least give a passing bow to the increasingly contentious debate over U.S. global competitiveness. It had no full-time staff and no real structure until Hubbard was brought on board in July 1990, followed in short order by McIntosh.

Hubbard, a 43-year-old Harvard-educated lawyer and entrepreneur who owns a specialty chemicals company in Indiana, also brings political skills to the job. He managed the presidential campaign of former Delaware Gov. Pierre S. (Pete) du Pont IV in 1988 and was deputy convention manager for Bush at the Republican National Convention. Last year he served as vice chairman of Dan Coats's successful senatorial campaign in Indiana.

McIntosh, who also serves as assistant to the vice president for domestic policy, had been Quayle's deputy counsel before joining the council. Before that, he was special assistant to President Reagan for domestic affairs. His solid conservative legal background also includes a stint as special assistant to former Attorney General Edwin Meese III. A graduate of the University of Chicago Law School, McIntosh, 33, is a co-founder and co-national chairman of the right-leaning Federalist Society for Law & Public Policy Studies.

The council relies heavily on other members of Quayle's staff and works closely with the Office of Management and Budget (OMB). Its permanent members, in addition to the Vice President, are six Administration luminaries: Treasury Secretary Nicholas F. Brady, Commerce Secretary Robert A. Mosbacher, Attorney General Dick Thornburgh, chairman of the Council of Economic Advisers Michael J. Boskin, OMB director Richard G. Darman and White House chief of staff John H. Sununu. They meet about every other month.

Don't let the involvement of the heavy hitters fool you, said David D. Doniger, senior attorney at the NRDC. "What you have is

minimal involvement by Cabinet-level officials on the council and very heavy involvement by what is becoming a permanent bureaucracy, a power center in the White House," he said. "They see it as their prerogative to make the decisions on issues that rise to their attention."

McIntosh, however, paints a more systematic and less ad hoc picture, noting that issues rise to the council's attention either when one agency disagrees with another over a proposal or when an agency disagrees with the review of a regulation by OMB's Office of Information and Regulatory Affairs.

The council has also tackled Quayle's personal hobby horses, such as biotechnology, a $2 billion business in the United States that—barring the impediment of unnecessary regulations—is expected to hit $50 billion annually by the year 2000, according to a glossy four-color brochure that the council issued in February.

On the regulatory front, Quayle ruffled some feathers in March, when he sent a memorandum to all department and agency chiefs in which he enumerated a sweeping list of items subject to cost-benefit review. Although Hubbard said that the list simply conformed to Executive Order 12291, Quayle's inclusion of press releases and strategy statements raised some eyebrows.

"This has not happened before, where the Vice President reached in an actually told agencies how to comply with regulatory review," a Senate aide said. "It is a significant symbolic step of vice presidential hands-on control of regulatory review, which is unprecedented."

The council is also preparing a white paper on the future of the telecommunications industry and has a working group exploring ways to streamline the process for approving new drugs. Another working group is looking at reform of the civil justice system. The council has supported legislation to overhaul product liability laws, arguing that litigation costs and liability risks impede product development.

But Sikorski is not buying for a moment the council's professed agenda. "They can't point to a single item that has made American industry more competitive," he said. "What they can point to is a bunch of backdoor, secret decisions that bailed out special interests—business interests."

Echoing Sikorski's view and even likening the council's methods to Oliver L. North's, Waxman fumed that by taking actions contrary to what Congress had prescribed and pursuing its agenda in a forum not open to the public, the council is "not accountable in any way."

"They see themselves and openly declare themselves as a place where industries can come in and overturn Congress and the regulatory agency, even though they've made their case and lost it in the places where authority rests—Congress in the first instance, the agency in the second," Waxman said.

Noting that Waxman can always call on senior Administration officials to testify, Michael M. Uhlmann, an attorney who sought out the council's help in resolving a dispute over the liability of financial institutions for hazardous waste cleanup costs, said that it is "not fair" to say that the group's work "occurs in the dark by conspiratorial forces you can't get at."

Similarly, Kent W. Colton, executive vice president of the National Association of Home Builders, who has met with the council on several occasions, disagreed with those who called it a closed shop. He said that he welcomed its involvement as "a broker" in helping to make certain that all views are heard, including those of business, which are sometimes short-changed by agency bureaucrats.

McIntosh also flatly disputes the notion that the council has displaced the decision-making authority of agency chiefs, noting that if an environmental issue is raised at the council, EPA administrator Reilly simply weighs the council's recommendations in his deliberations before issuing a rule, but "the discretion remains with him."

Waxman, however, is unpersuaded. "I'm saying that Reilly does not have the final say even though by law he should," he said.

BATTLING THE BUREAUCRACY

The critics' fury toward the council has stemmed from its recent handling of several politically charged issues. It helped to scuttle an ambitious recycling requirement that EPA had favored; it sided with a power station targeted by EPA to substantially reduce its sulfur dioxide emissions and, thereby, clear the air around the Grand Canyon; and, most recently, it refereed a dispute between Treasury and EPA and helped to limit the liability of banks and other lenders for cleanup costs under the superfund—a position harshly criticized by some environmentalists.

Add to that list the council's ringing affirmation of private-property rights, as reflected in its strong support of an amendment to the Senate's highway reauthorization bill that would require federal agencies to pay property owners for "takings" that affect property values, as in the case of setting aside wetlands. The amendment, for which Quayle lobbied, received 55 votes and would prevent any regulation from being issued unless the Attorney General certified that it complied with the executive order requiring agencies to review their actions to minimize the taking of private property.

Describing the issue as "somewhat technical" but one that "will have a big impact," Hubbard said that it "will force an agency, before imposing a regulation on your property, to assess whether a taking will occur. That will make the agency more cautious about imposing regulations that have the effect of a takings."

But critics say that it is simply a barely disguised effort to discourage agencies from issuing regulations, including those designed to protect pristine land from development. "It gives the Attorney General virtual carte blanche to veto or indefinitely delay any federal regulation on any issue, no matter how badly that regulation is needed to protect people's rights to breathe clean air, to have the health and safety of food assured and a wide variety of other rights," said Glenn P. Sugameli, counsel for public lands at the National Wildlife Federation.

Even Charles Fried, the Reagan Administration's solicitor general and hardly a bleeding-heart liberal, recently wrote in Order & Law: Arguing the Reagan Revolution—A Firsthand Account (Simon & Schuster Inc., 1991) that using the takings clause of the 5th Amendment of the Constitution as a "severe brake upon federal and state regulation of business and property" had been part of a "quite radical project" hatched by Meese and "his young advisers—many drawn from the ranks of the then fledgling Federalist Societies and often devotees of the extreme libertarian views of Chicago law professor Richard Epstein."

Sen. Steven D. Symms, R-Idaho, the sponsor of the amendment, listed more than 60 business groups that supported it, but Sugameli said the list constituted "basically a who's who of special interests who argue they want to be basically immune from all sorts of federal regulations."

Six months before it weighed in on the primacy of private-property rights, the council induced Reilly to back off of a proposed regulation under the Clean Air Act that would have required the diversion of at least 25 per cent of recyclable garbage from trash headed for municipal incinerators.

EPA conducted three studies of the costs of recycling and concluded that there would be a net savings as well as indirect benefits—less air and water pollution. But McIntosh said that the final decision was based chiefly on a cost-benefit calculus that showed the recycling requirement added $100 million to the cost "without any additional air-quality benefits."

Doniger strongly disagreed with that assessment. "If this rule doesn't pass the cost-benefit test, then it shows that there is no neutral application of that test," he said. "Even in the worst possible assumptions, the cost is less than the price of one month's worth of bubble gum for my kids per person."

The proposal would fail to pass a cost-benefit analysis only under the most pessimistic assumptions—that is, if there were no market for recycled products and extraordinarily high costs for segregating recyclable garbage, he added.

Among those upset by EPA's recycling proposal and who lobbied the council were a phalanx of municipal and county officials concerned about its cost and its breadth. Noting that EPA lacked the legal authority to require that the diverted trash be recycled under the Clean Air Act—only that it not be burned and cause dirty emissions—Barbara Paley, an associate legislative director at the National Association of Counties, said that the agency didn't care what you did with the garbage after it had been separated.

"You could leave it at the curb forever, put it in a landfill or dump it on the White House steps. They didn't care as long as it didn't show up at your incinerator," she said. "That was one of the things we thought was so ridiculous about the whole thing."

EPA didn't seem open to practical problems," agreed Richard F. Goodstein, divisional vice president of national government affairs at Browning-Ferris Industries Inc., a leader in the waste energy business.

Paley and other lobbyists called the White House, sent follow-up letters, and even met several times with White House aides. They were advised to contact the council, which Paley had never heard of. They hit pay dirt when OMB found that the proposal did not pass muster under a cost-benefit test and ran counter to principles of federalism, because garbage was an area traditionally reserved for state and local government action.

"The idea that there's some pristine constitutionally hallowed role for localities in handling garbage is silly." Doniger said. He noted that regulations for managing garbage by states and localities exist under the 1976 Resource Conservation and Recovery Act, a law that governs solid waste.

Reilly and one of his top lieutenants also disagreed with OMB's conclusion and decided to make their pitch to the council, but "they got rolled." said Doniger, who fortuitously happened to have a meeting with Reilly on Dec. 19—the same day he lost before the council. Reilly briefed him and other environmentalists about the council meeting and was "a good soldier," but "he also made clear he was very disappointed." Doniger said.

Reilly, however, maintained that he "voluntarily withdrew" the proposal. "Obviously I had a position that I went in and advocated, and it is not the position I agreed to when I came out," he said. "People have built a cathedral on that point. I think, and come to see many more problems in the competitiveness council than in fact we have experienced."

END RUNS

Ironically, Paley, who was pleased with the result, still has some misgivings about how the President's Council on Competitiveness got the job done. "This is not the way you want to go, because you don't want to turn these things into political power battles devoid of the issue." she said. "We think there is a good, sensible, substantive argument that can and should be made and be understood by the agency. That's the way I would prefer to proceed: to have the agency understand what it is that they have done rather than go back around and [obtain a result based on] who whispers in whose ear.

"It's nice that we got it, but I guess that there may be times when we will be concerned about an organization like the competitiveness council, which nobody knows a whole lot about and nobody knows who does what to whom there. We don't think that you should have to go around the back door to groups that are not out there in the open and who do not function in a substantive area to achieve this kind of objective."

No less controversial than the council's involvement in the recycling issue was its work in setting back another proposal dear to Reilly: his effort to eliminate the pollution that obscures the magnificent vistas around the Grand Canyon. Invoking the clean air laws, Reilly sought a steep reduction in sulfur dioxide emissions from the Navajo Generating Station, a coal-fired power plant 80 miles northeast of the park.

Reilly's original goal was to gain a 90 percent reduction in the plant's sulfur dioxide emissions, but he encountered stiff opposition from within the Administration and from the plant's operators. Another complication: The Interior Department's Bureau of Reclamation owns more than a 20 percent stake in the plant.

D. Michael Rappoport, an associate general manager at the Salt River Project, which operates the generating station, contended that the costs of meeting Reilly's target were astronomical, reaching into the billions of dollars.

"We came to the conclusion that there is no empirical or common-sense basis for imposing those costs on customers for minimal [benefits] that might arise." Rappoport said, "We were concerned fundamentally that EPA was not hearing our concern and was proceeding on a regulatory track that had very significant [monetary] consequences. We began to look for other opportunities to share our concern."

Those opportunities included a stop at the President's Council on Competitiveness. "What the competitiveness council provided was an opportunity to get economic considerations into the equation, which often are overlooked." Rappoport noted. "It provides a very important forum for presenting a point of view that we felt needed to be factored into the equation."

The council ultimately helped to persuade EPA to propose a 70 per cent reduction, although it is also receiving public comments on the more ambitious 90 per cent standard (which would increase the visibility range even more), according to government data.

Hubbard again referred to the council's concern as stemming from a straight cost-benefit analysis, but he pointed out that the proposal includes several options for people to comment on. "I'm certain that administrator Reilly is not uncomfortable with the proposed regulation," he added.

But Doniger said that the 70 per cent standard means there is three times as much pollution. "It's really a question of whether you'll have 10 percent of pollution left or 30 per cent," he said.

The council is sure to draw further fire from environmentalists with its recent announcement that it would be taking a look at the government's Wetlands Delineation Manual, which specifies environmentally sensitive areas that require a permit before they can be developed. In a May 7 press release, the council reaffirmed Bush's commitment to a policy of "no net loss" of wetlands while it promoted such legitimate land use as farming, housing development and construction of roads and airports.

Colton, for one, is pleased by the council's review of the wetlands issue. "It's very useful to have somebody say, 'Let's be concerned about the environment, but let's recognize that you need balance in some of these areas in order to achieve what needs to be done.'" he said. "Some of these [environmentalists] might be upset because they do have the ear of the bureaucracy and have been able to work closely with the EPA. They certainly would be opposed to somebody else entering the picture and trying to facilitate a dialogue that would achieve a balance, but everybody plays the game the best they can."

Indeed, perhaps the smoothest players of all are Hubbard and McIntosh, who have adroitly used the trump cards that Quayle dealt them, to the chagrin of environmentalists.

[From the Wall Street Journal, July 8, 1991]

WHITE HOUSE COMPETITIVENESS COUNCIL PROVOKES SHARP ANGER AMONG DEMOCRATS IN CONGRESS

(By Jeffrey H. Birnbaum)

WASHINGTON.—California Rep. Henry Waxman calls it "sinister." To Massachusetts's Rep. Gerry Studds, it's "Orwellian." And Minnesota Rep. Gerry Sikorski accuses it of nothing short of "treason."

What could possibly trigger such rage from these liberal Democrats? Why, it's the innocently named White House Council on Competitiveness, which is fast emerging as a major flashpoint in the regulatory battles between the Bush administration and Democrats in Congress.

The council, which is made up of highranking administration officials, exists ostensibly to help the administration speak with one voice on issues involving international competitiveness. But Democrats charge that, through its process of reviewing the routine-but-important regulations that enforce new laws, the council is secretly and probably illegally seeking to thwart the intention of those laws—especially the Clean Air Act—to benefit business interests.

"There's no legislative authority for what they're doing," asserts Rep. George Miller, the California Democrat who chairs the House Interior Committee. "It's a serious breach of the separation of powers."

To make their point, the Democrats have staged two lengthy congressional hearings and are planning a series of others; party leaders say they even hope to turn the council into an issue in the 1992 campaign. In addition, environmental groups are gearing up legal challenges to the council's basic authority.

Council aides and congressional Republicans scoff at all the fuss, and defend the group's activities as not only desirable but also almost completely immune from legislative attack. The Democrats' grousing, they add, won't deter it from broadening its influence in coming months on matters that range from civil justice to clean air to telecommunications.

"BROAD-RANGING" MANDATE

"The council's mandate is broad-ranging," says Allan Hubbard, the councils executive director and a top aide to Vice President Quayle, its chairman. "We obviously want to have an impact." (What's more, riling Democrats on such nuts-and-bolts issues as regulation is just what some GOP strategists think the vice president needs to do to dispel his reputation as a lightweight.)

President Bush established the council soon after taking office in 1989. Besides Mr. Quayle, it includes White House Chief of Staff John Sununu, Budget Director Richard Darman, Treasury Secretary Nicholas Brady, Commerce Secretary Robert Mosbacher, Attorney General Dick Thornburgh and Michael Boskin, the chairman of the Council of Economic Advisers.

Last summer, President Bush gave the council its first concrete task, the same one he himself had spearheaded during the Reagan administration: pushing for deregulation. Any new rules that would impose more costs on business than they would generate benefit to the rest of society, he directed, should be held up and revised.

The major test of this mandate came with the enactment last November of the Clean Air Act. The Environmental protection Agency has been obliged to develop hundreds of regulations to implement the act and other related laws, and the Council on Competitiveness quietly became a forum for appeals on any of the rules that were the subject of disputes between the EPA and other agencies.

Among other things, the council has been instrumental—either directly or through informal talks within the executive branch—in blocking a proposal to require recycling at municipal incinerators; putting off a plan to discourage the incineration of lead batteries, a source of toxic pollution; and softening a proposal to improve visibility in the Grand Canyon by sharply reducing sulfur dioxide emissions from a nearby power plant.

POLLUTION ISSUE

The council staff also helped fashion a rule that critics charge would allow big factories and utilities to unleash almost limitless pollution into the air unless a state government objects within seven days. (The EPA disputes the characterization, and says in any event that the rule isn't yet final.)

"The Council on Competitiveness has taken on the task of helping polluters block EPA's efforts to write Clean Air regulations with the unabashed purpose of protecting industry from the cost of regulation," fumes Rep. Waxman, who chairs the House environment subcommittee. Rep. Miller charges that council members "are quietly, secretly meeting with God-knows-who," and refers to the council as "a polluter star chamber."

Republicans rebut the attacks just as angrily, contending that the council's activities are well within the prerogative of the executive branch and shouldn't be subject to congressional meddling. "This is not an evil agency," says Rep. Norman Lent of New York, the senior Republican on the House Energy and Commerce Committee. "This is part and parcel of the executive agency of this government."

Rep. Lent and others say the council has clear authority to review regulations under the terms of Executive Order 12291, which was signed by President Reagan on Feb. 17, 1961. The order gave the White House's Office of Management and Budget, under the direction of the Bush deregulation task force, the authority to review existing and proposed rules. Today, the council's staff works closely with OMB's Office of Information and Regulatory Affairs to screen proposed regulations.

As a legal matter, decisions about regulations still rest with the agency of jurisdiction, and must be justified by the public record that already has been accumulated. But practically speaking, the council exercises considerable clout; though its decisions can be appealed to the president, he generally doesn't overrule them.

OMBUDSMAN ROLE

Council officials dispute that its mission is to act merely as a business ombudsman. They point out that business interests often war with each other, and are sometimes at odds with the council's own main motivation: to create jobs. "We try to get input from all sources," says David McIntosh, the council's deputy staff director. "At the staff level we meet not only with businesses, but also consumers, labor and environmental groups.

In addition to deregulation, the council also is active in developing new legislation. Its backing recently helped Idaho GOP Sen. Steve Symms insert an amendment into the Senate-passed highway bill making it harder for the government to take private property; critics contend the amendment also could frustrate future enforcement of health and antipollution laws. The council also has set as a priority the defeat of an effort by Nevada Democratic Sen. Richard Bryan to toughen auto emission standards.

The council will soon be moving into other realms as well. It is at work on proposals that would make it harder for plaintiffs to collect punitive damages in civil cases, reduce the time it takes for government approval of new drugs, open wetlands for commercial development and deregulate even further the telecommunications business.

All of which will undoubtedly outrage congressional Democrats even more. "Too much of our hard work is being ignored or reversed," charges Rep. Sikorski. "Some is being twisted, and some trashed."

[From the Wall Street Journal, July 22, 1991]

INTERAGENCY MEMOS REVEAL WHITE HOUSE INFLUENCING EPA CLEAN-AIR PROPOSALS

(By Barbara Rosewicz)

WASHINGTON.—Documents to be divulged at a congressional hearing today raise new questions of whether the White House is improperly injecting pro-industry positions into proposed clean-air rules.

Internal government memos reviewed by this newspaper reveal how a June 6 proposal by the Environmental Protection Agency on a top-priority issue for electric utilities ended up highly favorable to the utility industry.

In an unusual regulatory process, White House economists and the Energy Department played a heavy hand in pressuring the EPA to insert provisions that would relax current regulatory practices and could help power plants avoid as much as $5 billion in pollution-control costs.

Even the Justice Department has questioned whether certain components of the proposal are legal, according to a congressional staffer and government employees who have seen a confidential memo from the department.

Although the EPA by law is in charge of drafting rules to carry out the Clean Air Act, objections by career technical and legal staff at the agency were overridden on certain key provisions. In one memo, Energy Department positions that later were included in the proposal were blasted as "hogwash" and "mostly garbage" in margin notes penned by Greg Foote, EPA assistant general counsel.

"In effect, the EPA rule-making process has been hijacked," said Rep. Henry Waxman (D., Calif.), who called Bush administration officials to Capitol Hill today to testify on the legality of the utility proposal. "What we have," he said, "is a shadow government, responsive apparently exclusively to industry, dictating the administration's policy and forcing the EPA to go along with that."

Allegations have surfaced previously that the Bush administration is illegally trying to write into regulation what it couldn't convince Congress to write into the clean-air law. An earlier hearing by Rep. Waxman focused on a proposal for issuing pollution permits to industry.

White House officials claim the Clean Air Act's high cost—at least $25 billion annually to industry by 2005—justifies their unprecedented degree of involvement in drafting even the finest details of new clean-air rules.

In the case of the utility regulation, EPA Assistant Administrator William Rosenberg argued in an interview that Congress had its chance and failed to agree on how to fix what is widely known as the Wepco problem. It was named for a case involving Wisconsin Electric Power Co., a unit of Wisconsin Energy Corp. Mr. Rosenberg said the administration set out to write a regulation to try to accomplish what it couldn't convince Congress to do.

The Wepco rule is high stakes for the electric industry. It was meant to settle a controversy over when the nation's aging power plants must install costly antipollution equipment, now required for new plants, when they do refurbishment projects to replace parts, meet new acid—rain requirements or, more broadly, to extend the lifetime of their plants.

Memos and correspondence show an unusual regulatory process in which Richard Schmalensee, who has since left his job at the White House Council of Economic Advisers, acted as mediator between the Energy Department, which wanted more exemptions for electric plants doing refurbishment, and the EPA, which wanted to limit pollution increases to result from construction work.

The EPA's original draft rule was scorned by Energy Department Deputy Undersecretary Linda Stuntz, who complained in one interagency memo that it wasn't "responsive to the needs of the electric utility industry."

Afterward, Mr. Schmalensee wrote a memo marked urgent to the EPA that also criticized the agency's draft and spelled out steps on "where and how the current draft must be modified."

Conflict over whether the administration unlawfully went too far in trying to instill flexibility for the industry is likely to be the basis for court challenges, unless there are major changes before the Wepco rule becomes final. The Natural Resources Defense Council, an environmental group that often sues over regulations, has mailed out letters to more than 90 utilities warning it thinks key portions of the proposal are illegal.

"There is no question that these changes ignore the spirit and letter of the law," said David Hawkins, a senior attorney with the NRDC and a former EPA regulator.

The administration is ready to defend its proposal. Mr. Rosenberg of the EPA said the proposal includes changes to fix legal problems cited by the Justice Department memo. Privately, however, some government employees contend legality is still a question and the administration's defense on certain issues is weak.

Mr. Rosenberg also argues that the proposal won't increase pollution because of acid-rain provisions and other antipollution laws on the books. "I'm not saying that the administration's proposal reflected everything the EPA wanted. It didn't. But it was the proposal we accepted. I don't think we're surrendering authority."

[From the Washington Post, Oct. 2, 1991]

QUAYLE REQUESTS LOOK AT BREEDEN TESTIMONY

(By David S. Broder and Stan Hinden)

Vice President Quayle, responding to a plea for help from a business group, last night asked to review the testimony that the chairman of the Securities and Exchange Commission plans to give today endorsing a bill to extend the time in which stockholders can sue corporations for fraud and misrepresentation.

SEC Chairman Richard C. Breeden agreed to send Quayle a copy of the testimony in which he will reaffirm his support for the legislation, sources said. The sources also said Quayle did not ask Breeden to change his views.

The incident is the latest in a series of cases in which Quayle, as chairman of the President's Council on Competitiveness, has intervened on behalf of business on a regulatory issue. As chairman of the SEC, Breeden heads an independent regulatory agency that is not answerable to the Bush administration.

The case became public as a result of a question Quayle was asked following a speech to the American Business Council, made up of chief executives of 100 of the nation's fast-growing companies, at the Willard Intercontinental Hotel.

Marne Obernauer, chief executive of the Devon Group, a Connecticut graphic arts company, asked whether Breeden's support for legislation giving victims of fraud more time to file lawsuits flew in the face of Quayle's effort to reduce corporate litigation expenses.

Quayle said the administration did not have a position on the issue. "I can assure you that the testimony of Mr. Breeden will be obviously very closely examined and we will make sure that this issue is properly ventilated before he testifies tomorrow," Quayle said.

Breeden is scheduled to testify before the Senate securities subcommittee on a bill extending the time for such lawsuits. The bill, introduced by Sen. Richard H. Bryan (D-Nev.), is opposed by a phalanx of business groups, including public accounting firms, securities firms, insurance companies and others.

A Quayle aide said William Kristol, Quayle's chief of staff, called Breeden and was told by the SEC chairman that he had no problem in sending Quayle a copy of the testimony. Meanwhile, it was learned that Kristol told Breeden that Quayle had not taken a stand on the shareholder-suit issue at the meeting.

Breeden said later that he planned to stick to his guns. "We are not taking a new position," Breeden said. He noted that the SEC

has long supported an extended time frame for the lawsuits.

"The vice president has expressed a concern about the cost of excessive litigation to the economy," Breeden said. "I share many of those concerns."

Quayle went to the business meeting to pick up support for his civil litigation reform package, the goal of which is to reduce the burden and costs of lawsuits. That cause, which drew praise from the entrepreneurial audience, is part of the agenda of the President's Council on Competitiveness.

With Bush's blessing, the competitiveness council has injected itself into several recent regulatory controversies, including a battle over the definition of wetlands.

The wetlands controversy also provoked some last-minute discussions between Quayle and his aides and Environmental Protection Agency head William K. Reilly over congressional testimony Reilly was about to give.

Congressional critics have complained that the competitiveness council gives business a back-door channel of appeal on regulatory issues, but Quayle has strongly defended its work as a check on excessive bureaucracy.•

Mr. METZENBAUM. Mr. President, I rise today as an original cosponsor of the Regulatory Review Sunshine Act of 1991. I would like to thank my colleague from Ohio, Senator GLENN, for his outstanding leadership in offering this legislation.

This legislation is about one thing, and one thing only: accountability. Under our present system of Government, Federal agencies within the executive branch exercise broad rulemaking authority within their areas of jurisdiction. As a general matter, the public may participate in these rulemaking proceedings, and Federal agencies normally are accountable for their actions or for their failure to act.

But there is another layer of policymaking that most Americans know little or nothing about. For example, Federal agencies must obtain the approval of the Office of Management and Budget before issuing final rules. This is known as "executive branch regulatory review," and it takes place under the authority of numerous Executive orders as well as statutes such as the Paperwork Reduction Act.

The Office of Management and Budget, the Council on Competitiveness, chaired by Vice President QUAYLE, and other establishments within the executive branch, have wielded substantial power in Federal policymaking. For example, in the area of occupational safety and health, OMB has all too frequently stalled its review to delay or prevent the adoption of protective standards by the Occupational Safety and Health Administration, or forced OSHA to weaken standards before issuing them. This sort of interference has a very tangible result: American workers die. They die because they are unprotected from dangerous workplace hazards.

The accountability of those in power is one of the most fundamental hallmarks of our democratic system of Government. The American public often gets mad at the President for things he has done or at the Congress for things we have done. But the American public has no idea of what OMB and other establishments within the administration are doing in the name of "executive branch regulatory review." OMB is completely unaccountable for its actions.

This legislation would force OMB and other little-known power centers within the executive branch into the light. The bill would require disclosure of all oral and written communications between rulemaking agencies and establishments within the executive branch which engage in any form of regulatory review. Communications between the Government and private entities would also be covered by the disclosure provisions.

I should note that the Comprehensive Occupational Safety and Health Reform Act, which Senator KENNEDY and I introduced this past summer, would address this issue in the context of OSHA regulations. But we need broader reform, and this legislation is the vehicle to that reform. I urge my colleagues to cosponsor this important bill.

• Mr. LEVIN. Mr. President, it's been over 10 years since then-President Reagan issued Executive Order 12291, which dramatically changed the rulemaking process in the executive branch. Prior to that Executive order, regulatory review by an office of the President was conducted on only an ad hoc basis. With the advent of 12291, however, for the first time there was a formalized process for every proposed rule to be reviewed by the Executive Office of the President.

From the time that Executive order was issued, a number of us in Congress have been working to get the OMB review process out into the open. We have had proposed legislation—some of which, by the way, has even passed the Senate at various times—but none of which has been enacted into law.

In 1986 we were able to reach an agreement with the then-Administrator of the Office of Information and Regulatory Affairs [OIRA], Wendy Gramm, to adopt a number of specific disclosure procedures to increase public awareness of and participation in OIRA's review process. That 1986 memorandum was only supposed to be a beginning toward the development of strong public disclosure procedures. Unfortunately, it has turned out for the past 5 years to be an end as well.

That 1986 agreement was made with the understanding that OIRA was the principal reviewer of rules for the Executive Office of the President. Although the Vice President's Regulatory Relief Task Force was also in existence at that time, it was viewed by many of us involved in the development of that agreement as more of an appellate body for reviewing rules. Rules would be referred to the task force if there was strong interagency disagreement that couldn't be resolved through OIRA.

Now we have been hearing about the work of the Competitiveness Council, which is supposed to be President Bush's substitute for the Regulatory Relief Task Force, but it seems much more than that. Instead of just resolving interagency disputes over proposed rules, the Competitiveness Council appears to play a much more active and regular role in the review process. It appears that the Council on its own selects the rulemakings in which it wants to participate and it apparently has invited the public to contact it about any rulemaking.

By its own admission and as a result of congressional investigation, we know that the Competitiveness Council has had a direct impact on a number of significant rules. Yet the work of the Competitiveness Council is not covered by even the minimum disclosure requirements of the 1986 agreement.

So we have an additional problem now. Not only do we have disclosure procedures for OMB which are inadequate and were only to be a starting point, we have another player in the regulatory review process for which we're starting from scratch in terms of public disclosure. And what's more, we in Congress haven't even been able to get all the documents we have requested on the work of the Competitiveness Council, much less make appropriate documents available to the public.

Mr. President, with the arrival of the Competitiveness Council, I feel we're almost back to square one on the issue of public disclosure, and I, along with Senator GLENN and other cosponsors of this legislation, am not happy with or willing to stay at square one on an issue of such importance to our administrative process.

So we are introducing this bill today to establish basic but essential public disclosure procedures for any Federal entity established by the President to conduct regulatory review. This would cover both the Office of Information and Regulatory Affairs and the Competitiveness Council. The disclosure we seek is appropriate in light of the significance of the conduct we are attempting to monitor.

If there are regulatory review entities which can dictate the outcome of agency rulemakings, the public needs to be aware of that, so that everyone has the opportunity to have an equal say in the process and to know the reasons for a particular result. Regulatory review should not be the tool of any one segment of our society or any one group of people who happen to know whom to contact and when a review is being conducted.

The regulatory process must be fair and open to everyone. That is the com-

mitment behind the Administrative Procedure Act, and that is what this bill seeks to ensure.●

Mr. CHAFEE. Mr. President, I am pleased to cosponsor the Regulatory Review Sunshine Act of 1991. This bill would apply the basic principles of the Administrative Procedures Act to the regulatory oversight functions now performed by the Office of Management and Budget and other entities of the executive branch.

The Administrative Procedures Act tries to assure that every American has the same opportunity to be informed and to be heard by the departments and agencies that formulate regulations and policies to carry out our laws. It requires that the regulatory agency make its proposed rules and policies known well in advance of their effective date. It requires that the regulatory agency take public comments on significant regulatory actions. And it requires that each of these comments be considered and that a response to each be formulated before a final regulation is put in place. Every American has an equal opportunity to be heard in the process of formulating rules.

When we pass a law to protect the environment or public health or worker safety here in the Congress, the agency that carries out the law is bound by these procedures. The heads of these agencies who are charged with writing the regulations are also confirmed by the Senate and answerable to the Congress in hearings for their actions.

Since the Carter administration, there has been an attempt to centralize the regulatory process to assure that the program of the government is balanced and that costs imposed by regulations are meeting the highest priorities. In the Reagan administration this oversight process was formalized in two Executive orders that assigned the oversight function to the Office of Management and Budget. OMB is to assure that major rules are properly considered and are consistent with the President's program,

In the Bush administration another layer has been added. It is called the Council on Competitiveness. It is run out of the Vice President's office and includes eight members of the Cabinet. When OMB and an agency cannot agree on a rule or policy, it is sent up to this Council on Competitiveness for dispute resolution.

That oversight is important. We need a coordinating agency for the regulatory process. I have no quarrel with the President's desire to coordinate and oversee the action of the many regulatory agencies.

But in some cases I fear this oversight authority has been used to undermine the openness and equal standing that is promised by the Administrative Procedures Act. Outside groups try to use the review process as another route to influence the content of regulations. OMB officials and staff of this new Council on Competitiveness have met with various groups, presumably with some effect on their decisions, while conducting regulatory oversight.

This is troubling to me. Today, there is no assurance in the law that every American will have equal access to the policymakers at OMB and the Council who participate in these review activities. They are not required to put their proposals on the record. They are not required to ask or respond to public comment. They are not required to listen to all sides before making a decision. And they are not officials of the executive branch confirmed by the Senate with an obligation to answer to the Congress when called upon.

Mr. President, there are several events that have triggered this legislation. Two I will mention are the role of the Council on Competitiveness in recycling policy and in wetlands protection. In January of this year, the Council vetoed an EPA rule that would have encouraged recycling in communities that build municipal incinerators. EPA made the proposal that 25 percent of the solid waste in these communities by recycled. EPA took public comment on the proposal, modified the proposal to reflect the comment, and was prepared to go final with the regulation. But the decision made by the head of the Environmental Protection Agency, who is the person that the Senate confirmed to make these policy judgments, was overturned by the Competitiveness Council. The reasons for reversing EPA's decision are not clear. They are not on the record. No one can have any confidence that the decision was made only after hearing all sides on the issue of recycling.

The second example is wetlands policy. The EPA and the Corps of Engineers have been working to develop a manual that defines the lands that are to be protected by section 404 of the Clean Water Act. A group of scientists from the appropriate Federal agencies spent several years in that effort and in 1989, EPA and the corps jointly issued a delineation manual that was to be used to define wetlands and the jurisdiction of the Section 404 Program.

Apparently, the Competitiveness Council is not happy with the manual and has taken it upon itself to rewrite what it had taken scientists years to develop. A revised manual based on the deliberations of the Council has been issued. That manual has been submitted to the public for comment which is not always the case with these decisions that are handed down from above. The comment so far is overwhelmingly negative. Scientists in the field are finding that this manual, written not by the technical experts of the agencies that are charged with protecting our natural resources but by a small regulatory staff at OMB and at the Competitiveness Council, is a disaster. Perhaps one-half of the areas traditionally considered wetlands, including lands within wildlife refuges and national parks, would be removed from section 404 protection if the revised manual becomes final.

We don't know yet how the debate on wetlands will turn out. But we do know from the experience of the recycling rule that the Council on Competitiveness may take the final decision onto itself, may make the decision without public justification and may hide the record of discussions and considerations that led up to the decision.

The Regulatory Review Sunshine Act of 1991 will hopefully restore a balance to the regulatory process. It requires that all contacts between the staff or members of a reviewing entity like the Competitiveness Council and interest group representatives be made public. It also requires that communications with the regulatory agency be put in the public record. Those are important protections that should be supported by all Senators. We need to know the record on which these decisions are based. That is a fundamental principle of American Government.

There is one suggestion that I would make to the author of the bill. The legislation sets a deadline on the review process to assure that it is not used to kill a proposed rule simply by stalling a final action. This deadline can be extended for good cause. That may be appropriate, but I would like an assurance in the legislative language that the period for review can in no way override a deadline for promulgating a rule or making a report that is set in statute or by a court order.

Mr. President, I congratulate Senator GLENN on the introduction of this bill and urge my colleagues to give it careful consideration.

Mr. RIEGLE (for himself, Mr. DIXON, Mr. DODD, Mr. GRAHAM, Mr. WIRTH, and Mr. KERREY):

S. 1943. A bill reforming the Resolution Trust Corporation; to the Committee on Banking, Housing and Urban Affairs.

RESOLUTION TRUST CORPORATION ACT OF 1991

● Mr. RIEGLE. Mr. President, today I am introducing, together with Senator DIXON, the Resolution Trust Corporation Reform Act of 1991. Senators DODD, GRAHAM, WIRTH, and BOB KERREY are cosponsors of the measure. This bill will reform the governance of the RTC to make it more accountable to the American public and to the Congress. Right now, there are too many people in charge at the RTC. Consequently, you end up with a situation where no one is really in charge. This bill would end that confusion by streamlining the two-board structure of the RTC and by putting into place an RTC chief executive officer who has the stature to interact with all agen-

cies of government while running the RTC on a day-to-day basis.

We have learned from hearings on the RTC, and from the experiences of our constituents who have dealt with the RTC, that the administration's structure and proposed restructuring can be significantly improved.

For example, we heard from two impartial witnesses in a hearing held by the Consumer and Regulatory Affairs Subcommittee, which is chaired by Senator DIXON, that the RTC's governance structure is cumbersome. One witness, Mr. Dean, a fellow at the National Academy of Public Administration in Washington, DC who has spent over 45 years in continuous work on the setting up of Government agencies, departments, corporations and advising them on their structure and organization stated that:

I have never seen such a jerry-built * * * unsatisfactory structure as that which now exists for the RTC framework.

Another witness from that same hearing, Dr. Harold Seidman, also from the National Academy of Public Administration, stated that:

The division of functions among the Oversight Board, the FDIC, and the RTC inevitably causes confusion, generates conflicts, encourages second-guessing, and buck-passing, and makes it impossible to hold any one individual or organization accountable for the effective performance of the important tasks assigned to the RTC.

Additionally, in the same hearing we heard from Mr. G. William Miller, the former Secretary of the Treasury and former Chairman of the Federal Reserve, that reform of the RTC's governance function should be geared toward a one board structure. He testified that:

So far as oversight is concerned, I do believe that a single board, simplified and clear-cut can perform well all of the oversight functions that are needed.

We also have heard considerable private sector criticisms of the operations of the RTC. For example, in a hearing held by the Senate Banking Committee on October 24, 1991, a principal of Gencom interests stated that:

In the marketplace, the recurrent criticism of the RTC is leveled at its changing policies, slow response times, long closing delays, and very onerous contract terms.

Moreover, earlier this year we heard testimony from Mr. Anthony M. Frank, the Postmaster General who previously had served as the chairman and CEO of First Nationwide Bank, that we need to have one individual to run the RTC's operations. Specifically, in his testimony on April 9, 1991, he indicated that on the matter of how the RTC should be organized:

My theme * * * still is, that this enormous asset disposition problem needs to be administered by a highly capable individual—a czar if you will, with relatively unfettered authority. That czar would assume risks, make decisions, and take actions that a government bureaucracy inherently cannot and will not take, but which are commonplace at the top of honorable, well-run private businesses.

This testimony reiterates what I and many other Members have heard time and time again of the problems with the operations and structure of the RTC. It's time to improve the RTC's performance. This bill would streamline the governance of the RTC. That streamlining combined with the management skills of the RTC CEO will help the RTC run more efficiently. Additionally, other reforms provided by the legislation will make the RTC more accountable and responsive to the American public and Congress.

Nowhere in the private sector or in the Government is there anything like the governance structure that is now in place at the RTC. The bill's chief reform in that area is to eliminate the current two-board governance of the RTC and substitute just one board to govern the affairs of the RTC. The RTC's current two-board structure has impeded the ability of the RTC to move in a sustained and coherent fashion. Generally, two heads may be better than one but certainly not when they are on the same body.

Implementation of this bill will not throw the RTC off track. The field personnel will not be replaced. Offices will not be shut down. Information and expertise will not be lost.

In that regard, Dr. Seidman testified that:

The change in the board structure would have really no effect whatsoever on the conduct of (the) provision of services in the field. * * * We hope that there would be improvements, but it certainly would not cause any delays or changes.

What will be gained from this legislation I believe is better direction from the governing members of the RTC as well as an active CEO with the appropriate tools to tackle the very large challenges that loom ahead for the RTC.

Attached is a copy of the bill, which I ask unanimous consent be included in the RECORD. I look forward to working with the administration and all members of the committee on a bipartisan basis to enact legislation which will both refinance and improve the operations of the RTC.

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

S. 1943

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Resolution Trust Corporation Reform Act of 1991".

(b) TABLE OF CONTENTS.—

Section 1. Short title; table of contents.
TITLE I—REFORM OF THE RTC
Sec. 101. Oversight of the Resolution Trust Corporation.
Sec. 102. Savings and transitional provisions.
Sec. 103. Technical and conforming amendments.
TITLE II—DISPOSITION OF PROPERTY BY RESOLUTION TRUST CORPORATION
Sec. 201. Sales records.
Sec. 202. Sale of condominium properties.
Sec. 203. Anti-speculation provisions.
Sec. 204. Inclusion of multifamily property under conservatorship in affordable housing program and continuation of program for single family property.
Sec. 205. Definition of income for eligibility determination under the Single Family Affordable Housing Disposition Program.
Sec. 206. Public disclosure of transactions.
Sec. 207. Operation of branch facilities by minorities and women.
Sec. 208. Seller financing procedures.
Sec. 209. Utilization of competitive bidding methods.
Sec. 210. Disposition of significant property.
Sec. 211. Office of Dispute Resolution.
Sec. 212. Interest paid by institutions in conservatorship.
Sec. 213. Management and disposition of property by local office which is closest to the property.
TITLE III—MISCELLANEOUS
Sec. 301. Suspension of funding upon the failure to provide an audited financial statement.
Sec. 302. Uninsured depositors not covered.
Sec. 303. Disclosure of certain Resolution Trust Corporation salaries.
Sec. 304. Whistleblower protection.
Sec. 305. GAO study of privatization of Resolution Trust Corporation functions.

TITLE I—REFORM OF THE RTC

SEC. 101. OVERSIGHT OF THE RESOLUTION TRUST CORPORATION.

(a) IN GENERAL.—Effective on the date of enactment of this Act—

(1) the Oversight Board established under section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is abolished; and

(2) section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by striking subsections (a), (m), and (n) and by redesignating subsections (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p), (q), and (r), as subsections (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (o), respectively.

(b) DUTIES OF THE BOARD OF DIRECTORS.—Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended—

(1) in subsection (a)(1), as redesignated, by striking subparagraph (C) and inserting the following:

"(C) MANAGEMENT BY BOARD OF DIRECTORS.—The Corporation shall be managed by or under the direction of its Board of Directors."; and

(2) by striking paragraph (8) of subsection (a), as redesignated, and inserting the following:

"(8) BOARD OF DIRECTORS.—

"(A) IN GENERAL.—The Board of Directors of the Corporation shall consist of—

"(i) the Chief Executive Officer of the Resolution Trust Corporation;

"(ii) the Secretary of the Treasury;

"(iii) the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation; and

"(iv) 2 independent members who shall be appointed by the President, by and with the advice and consent of the Senate. The nominations of the independent members shall be

referred to the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(B) VACANCY.—Any vacancy on the Board shall be filled in the same manner as the original appointment.

"(C) CHAIRPERSON.—The Chief Executive Officer of the Resolution Trust Corporation shall serve as Chairperson of the Board.

"(D) COMPENSATION OF GOVERNMENT MEMBERS.—The Secretary of the Treasury and the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation shall receive no pay, allowances, or benefits from the Corporation by reason of their service on the Board of Directors, but shall receive allowances in accordance with subchapter I of chapter 57 of title 5, United States Code, for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board of Directors, as set forth in the bylaws issued by the Board of Directors.

"(E) INDEPENDENT MEMBERS.—An independent member shall—

"(i) not hold any other appointed office during his or her term as a member;

"(ii) not be a member of the same political party as the other individual member; and

"(iii) be appointed for a term of 5 years.

"(F) COMPENSATION FOR INDEPENDENT MEMBERS.—The independent members of the Board of Directors shall be paid at a rate equal to the daily equivalent of the rate of basic pay for Level II of the Executive Schedule for each day (including travel time) during which such member is engaged in the actual performance of duties of the Board.

"(G) QUORUM REQUIRED.—A quorum shall consist of 3 members of the Board of Directors of the Corporation. All decisions of the Corporation shall require an affirmative vote of at least a majority of the members voting.

"(H) DUTIES.—

"(i) IN GENERAL.—The Board of Directors shall oversee and be accountable for the activities of the Corporation.

"(ii) STRATEGIC REVIEW.—The Board of Directors shall develop and establish overall strategies, policies, and goals for the Corporation, including such items as general policies for case resolution, the management and disposition of assets, the use of private contractors, and the use of notes, guarantees, or other obligations by the Corporation.

"(iii) FINANCING.—The Board of Directors shall review prior to implementation any periodic financing requests made to the Secretary of the Treasury or the Federal Financing Bank or otherwise developed by the Corporation.

"(iv) RULEMAKING.—The Board of Directors shall prescribe such rules and regulations as it may deem necessary to carry out the provisions of this section or any other law which it has the responsibility of administering or enforcing.

"(v) MEETINGS.—All meetings of the Board of Directors shall be open meetings, subject to the provisions of section 552b of title 5, United States Code.

"(vi) TRANSCRIPTS.—The Board shall maintain a transcript of each of its meetings.

"(vii) BUDGET.—The Board of Directors shall adopt the budget of the Corporation and monitor the performance of the Corporation relative to approved budget plans.

"(viii) ADVISORY BOARDS.—The Board of Directors shall maintain 2 national advisory boards and not less than 6 regional advisory boards, to be established pursuant to subsection (c).

"(ix) INTERNAL AUDITS.—The Board of Directors shall evaluate audits by the Inspector General and other congressionally required audits and reports.

"(x) COMMITTEES.—The Board shall establish such committees as it deems appropriate and delegate requisite authority to such committees.";

(3) in subsection (a)(9), as redesignated, by adding at the end the following new subparagraph:

"(C) CHIEF EXECUTIVE OFFICER.—The Corporation shall have a chief executive officer appointed by the President, by and with the advice and consent of the Senate. The chief executive officer shall serve a 5-year term. The chief executive officer shall be an employee of the Federal Deposit Insurance Corporation provided to the Corporation for that purpose and shall receive such compensation and benefits as the Corporation's Board of Directors may determine from time to time in accordance with the laws and regulations applicable to the personnel practices of the Federal Deposit Insurance Corporation. The Corporation's Board of Directors shall provide the chief executive officer with such powers as shall be adequate for the chief executive officer's efficient management and administration of the Corporation's day-to-day affairs. Among such duties, authorities, and powers shall be the duty, authority, and power, subject to the ultimate direction of the Corporation's Board of Directors:

"(i) To specify the duties, authorities, and powers of other officers of the Corporation and the duties, authorities, and powers of other persons, including employees of the Federal Deposit Insurance Corporation, acting on behalf of the Corporation.

"(ii) To make and modify staffing plans and organizational and management structures of the Corporation to meet the goals of this Act and other applicable laws.

"(iii) To direct all aspects of the Corporation's operations in a manner consistent with general practices of the private sector and with this Act and other applicable law.

"(iv) To modify and implement existing rules, regulations, standards, policies, principles, procedures, guidelines, and statements in order to optimize the Corporation's performance, including, but not limited to, its performance in the disposition of assets.

"(v) To develop, adopt, and implement new rules, regulations, standards, policies, principles, procedures, guidelines, and statements in order to optimize the Corporation's performance, including, but not limited to, its performance in the disposition of assets.

"(vi) To set and adjust the compensation and benefits of persons (other than the chief executive officer) acting on behalf of the Corporation in accordance with laws and regulations applicable to the personnel practices of the Federal Deposit Insurance Corporation.

"(vii) To choose employees of the Federal Deposit Insurance Corporation to be provided to the Corporation by the Federal Deposit Insurance Corporation, to request that the Federal Deposit Insurance Corporation employ specified persons for that purpose, and to return at any time to the Federal Deposit Insurance Corporation any such employee so provided.";

(4) in subsection (c), as redesignated—

(A) in paragraph (1)—

(i) by striking "(b)(3)(A)" in subparagraph (A) and inserting "(a)(3)(A)"; and

(ii) by striking "(2)" in subparagraph (B)(ii) and inserting "(3)";

(B) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively;

(C) by inserting after paragraph (1) the following new paragraph:

"(2) NATIONAL HOUSING ADVISORY BOARD.—

"(A) ESTABLISHMENT.—The Board of Directors shall establish a National Housing Advisory Board to advise the Board of Directors on policies and programs related to the provision of low-income housing.

"(B) MEMBERSHIP.—The National Housing Advisory Board shall consist of—

"(i) the Secretary of Housing and Urban Development; and

"(ii) the chairpersons of any regional advisory boards established pursuant to paragraph (3).

"(C) MEETINGS.—The National Housing Advisory Board shall meet 4 times a year, or more frequently if requested by the Board."; and

(D) in paragraph (3)(A), as redesignated, by striking "(b)(3)(A)" and inserting "(a)(3)(A)";

(5) by striking subsection (a)(1)(C), as redesignated;

(6) in subsection (a)(3), as redesignated, by striking "to carry out a program, under the general oversight of the Oversight Board and through the Federal Deposit Insurance Corporation (or any replacement authorized pursuant to subsection (m)), including";

(7) in subsection (a)(7), as redesignated—

(A) by striking "subject to general supervision by the Oversight Board under subsection (a) of this section and shall be"; and

(B) by striking "(j)" and inserting "(a)(8)(b)(iii) and (i)";

(8) by striking subsection (a)(9), as redesignated, and inserting the following:

"(9) STAFF.—

"(A) IN GENERAL.—The Corporation itself shall have no employees.

"(B) UTILIZATION OF EMPLOYEES.—The Corporation may use employees of the Federal Deposit Insurance Corporation and shall reimburse the Federal Deposit Insurance Corporation for its actual costs incurred in providing such employees. Such employees shall remain subject to the personnel practices of the Federal Deposit Insurance Corporation. The Corporation may use administrative services of the Federal Deposit Insurance Corporation and shall reimburse the Federal Deposit Insurance Corporation for its actual costs incurred in providing such services.";

(9) in subsection (a)(10), as redesignated—

(A) by striking subparagraphs (B) and (L); and

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), and (N) as paragraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), and (L), respectively;

(10) in subsection (a)(11)(B)(iv), as redesignated—

(A) by striking "the Oversight Board and"; and

(B) by striking "(k)" and inserting "(j)";

(11) in subsection (a)(11)(C)(i), as redesignated, by striking "The cost or income of any modification shall be a liability or an asset of the Corporation or the FSLIC Resolution Fund as determined by the Oversight Board" and inserting "The cost or income of any modification shall be a liability or an asset of the FSLIC Resolution Fund";

(12) in subsection (a)(12), as redesignated, by striking paragraphs (A) and (B) and inserting the following:

"(A) IN GENERAL.—The Chief Executive Officer of the Resolution Trust Corporation may issue or modify such rules, regulations, standards, policies, principles, procedures, guidelines, and statements as are necessary or appropriate to carry out this section. The Chief Executive Officer of the Resolution Trust Corporation shall keep the Board of

Directors reasonably informed of such actions. The Board of Directors shall have the power to require modification of any such actions.

"(B) NOTICE AND COMMENT.—Such rules, regulations, standards, policies, procedures, guidelines, and statements shall be promulgated pursuant to subchapter II of chapter 5 of title 5, United States Code.";

(13) by striking subsection (a)(13), as redesignated, and inserting the following:

"(13) PERIODIC FINANCING REPORTS.—The Corporation shall provide the Secretary of the Treasury with quarterly financing reports which shall detail—

"(A) anticipated funding requirements for operations, case resolutions, and asset liquidation;

"(B) anticipated payments on previously issued notes, guarantees, other obligations, and related activities; and

"(C) any proposed requests for advances from the Secretary of the Treasury or from the Federal Financing Bank.";

(14) in subsection (c), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(15) in subsection (f), as redesignated, by striking "and the Oversight Board" each place it appears;

(16) in subsection (g)(1), as redesignated, by striking "the Oversight Board,";

(17) in subsection (h)(1), as redesignated, by striking ", upon approval of the Oversight Board,";

(18) in subsection (j)(1), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(19) in subsection (j)(2), as redesignated, by striking "Oversight Board" wherever it appears and inserting "Board of Directors of the Corporation";

(20) in subsection (j)(3)(A), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(21) in subsection (j)(3)(B), as redesignated, by striking "the Oversight Board and";

(22) in subsection (j)(4)(A), as redesignated, by striking "Oversight Board and the";

(23) in subsection (j)(5)(A), as redesignated—

(A) by striking "the Oversight Board and"; and

(B) by striking ", the Federal Deposit Insurance Corporation, and the Oversight Board";

(24) by striking subsection (j)(5)(B)(iii), as redesignated, and inserting the following:

"(iii) The number of persons acting on behalf of the Corporation and the Federal Deposit Insurance Corporation at the beginning and end of the reporting period.";

(25) in subsection (j)(5)(B)(xi), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(26) in subsection (j)(5)(B)(xii), as redesignated, by striking "the Oversight Board or";

(27) in subsection (j)(6), as redesignated, by striking "Oversight Board" each place it appears and inserting "Chief Executive Officer of the Corporation";

(28) in subsection (j)(7), as redesignated—

(A) in subparagraph (A), by striking "Before January 31, 1990, the Oversight Board and" and inserting "Before January 31, 1992, the Chief Executive Officer of the Corporation"; and

(B) in subparagraph (B)—

(i) by striking "of the Oversight Board and the Corporation", and

(ii) by striking "Oversight Board and the Corporation"; and inserting "the Chief Executive Officer of the Corporation";

(29) in subsection (j)(8), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(30) in subsection (j)(9), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(31) by striking subsection (k)(3), as redesignated, and inserting the following:

"(3) REMOVAL AND REMAND.—

"(A) IN GENERAL.—The Corporation, in any capacity and without bond or security, may remove any action, suit, or proceeding from a State court to the United States district court with jurisdiction over the place where the action, suit, or proceeding is pending, to the United States District Court for the District of Columbia, or to the United States District Court with jurisdiction over the principal place of business of any institution for which the Corporation has been appointed conservator or receiver if the action, suit, or proceeding is brought against the institution or the Corporation as conservator or receiver of such institution. The removal of any such suit, or proceeding shall be instituted—

"(i) not later than 90 days after the date the Corporation is substituted as a party, or

"(ii) not later than 30 days after service on the Corporation, if the Corporation is named as a party in any capacity and if such suit is filed after August 9, 1989.

"(B) SUBSTITUTION.—The Corporation shall be deemed substituted in any action, suit, or proceeding for a party upon the filing of a copy of the order appointing the Corporation as conservator or receiver for that party or the filing of such other pleading informing the court that the Corporation has been appointed conservator or receiver for such party.

"(C) APPEAL.—The Corporation may appeal any order of remand entered by a United States district court.";

(32) in subsection (m), as redesignated—

(A) in paragraph (1)(A), by striking "the Oversight Board or" wherever it appears;

(B) in paragraphs (1), (2), (3), and (5), by striking "Oversight Board and the" wherever it appears;

(C) in paragraph (4)—

(i) by inserting after "The chief executive officer" "or any independent member of the Board of Directors";

(ii) by inserting after "the chief executive was" "or the independent member of the Board of Directors was"; and

(iii) by inserting after "chief executive officer" wherever it appears "or independent member";

(D) in paragraph (6)(A), by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(E) in paragraph (7)—

(i) by striking "Oversight Board or the" wherever it appears; and

(ii) in subparagraph (B), by striking "or the Oversight Board"; and

(F) in paragraph (8)—

(i) by striking "(8) PRIORITY OF OVERSIGHT BOARD RULES", and inserting "(8) PRIORITY OF RULES";

(ii) by striking "or the Oversight Board"; and

(iii) by striking "by the Oversight Board" and inserting "by the Board of Directors of the Corporation"; and

(33) in subsection (n), as redesignated, by striking "or of the Oversight Board" each place it appears.

(c) CONFORMING AMENDMENTS.—

(1) INSPECTOR GENERAL ACT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended in paragraph (1) by striking "the Oversight Board" and inserting a semicolon.

(2) COMPENSATION.—Section 5313 of title 5, United States Code, is amended by striking "Independent Members, Oversight Board, Resolution Trust Corporation." and inserting "Independent Members, Board of Directors, Resolution Trust Corporation.".

(3) TIMELINESS OF REPORTS.—Section 102(c) of the Resolution Trust Corporation Funding Act of 1991 (12 U.S.C. 1441a note) is amended—

(A) by striking "the President of the Oversight Board, and"; and

(B) by striking "Chairperson of the Resolution Trust Corporation" and inserting "Chief Executive Officer of the Resolution Trust Corporation".

(d) RIGHTS OF EMPLOYEES.—Section 404 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (103 Stat. 361) is amended—

(1) in paragraph (2)—

(A) by inserting "grade," after "status, tenure,"; and

(B) by inserting "or, if the employee is a temporary employee, separated in accordance with the terms of the appointment" after "cause"; and

(2) in paragraph (9)—

(A) by striking "section 21A(m)" and inserting "section 21A(*l*)";

(B) by striking "of such Corporation shall be transferred to" and inserting "of the Federal Deposit Insurance Corporation assigned to the Resolution Trust Corporation shall be reassigned to a position within"; and

(C) by striking "of this subsection" and inserting "of this section".

(e) INTERIM APPOINTMENTS.—

(1) CHIEF EXECUTIVE OFFICER.—The President shall appoint an interim Chief Executive Officer who shall serve until the earlier of June 30, 1992, or the date on which the Chief Executive Officer of the Resolution Trust Corporation is appointed and takes office under section 21A(a)(8) of the Federal Home Loan Bank Act.

(2) RESOLUTION TRUST CORPORATION BOARD.—The President shall appoint 2 interim independent members, each of whom shall serve on the Board of Directors of the Corporation until the earlier of June 30, 1992, or the date on which the 2 independent members of the Board are appointed and take office under section 21A(a)(8) of the Federal Home Loan Bank Act.

(3) STATUS.—The interim Chief Executive Officer and interim independent members shall have the same authorities and duties as the Chief Executive Officer and independent members provided for by section 21A(a) of the Federal Home Loan Bank Act.

SEC. 103. SAVINGS AND TRANSITIONAL PROVISIONS.

(a) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—This title shall not affect the validity of any right, duty, or obligation of the United States, the Corporation, the Oversight Board, or any other person, which—

(A) arises under or pursuant to the Federal Home Loan Bank Act, or any other provision of law applicable with respect to the Oversight Board; and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against

the Oversight Board, with respect to any function of the Oversight Board, shall abate by reason of the enactment of this Act, except that the Board of Directors of the Corporation shall be substituted for the Oversight Board as a party to any such action or proceeding.

(b) CONTINUATION OF ORDERS, RESOLUTIONS, DETERMINATIONS, AND REGULATIONS.—All orders, resolutions, determinations, and regulations, which—

(1) have been issued, made, prescribed, or allowed to become effective by the Oversight Board (including orders, resolutions, determinations, and regulations which relate to the conduct of conservatorships and receiverships), or by a court of competent jurisdiction, in the performance of functions which are transferred by this Act; and

(2) are in effect on the date this Act takes effect,

shall continue in effect according to the terms of such orders, resolutions, determinations, and regulations, and shall be enforceable by or against the Board of Directors until modified, terminated, set aside, or superseded in accordance with applicable law by the Board of Directors, by any court of competent jurisdiction, or by operation of law.

(c) EMPLOYEE PROTECTIONS.—(1)(A) Any permanent employee of the Federal Deposit Insurance Corporation who was performing services on behalf of the Resolution Trust Corporation immediately prior to the enactment of this Act shall continue to be assigned to perform services on behalf of the Resolution Trust Corporation with the same status, tenure, grade, and pay, unless voluntarily separated, or removed for cause. Temporary employees may be separated in accordance with the terms of their appointment.

(B) Any reduction-in-force or reorganization that occurs after the one-year period specified in subparagraph (A) shall be conducted in accordance with chapters 33 and 35 of title 5, United States Code, and the procedures promulgated pursuant to them. Any such reduction-in-force or reorganization shall be deemed a "major reorganization" or a "major reduction-in-force" for purposes of section 8336(d)(2) and 8414(b)(1)(B) of title 5, United States Code, and any separated employee shall be entitled to severance payments in accordance with section 5595 of title 5, United States Code.

(2)(A) Effective upon enactment of this Act, each officer and employee of the Oversight Board, employed by such Board on the day before the date of enactment of this Act, shall be transferred to the Federal Deposit Insurance Corporation, and such transfer shall be deemed a transfer of function for the purpose of section 3503 of title 5, United States Code. Each transferred officer and employee, including officers and employees in the Senior Executive Service, or its equivalent, shall be entitled to the protections provided transferred employees under subsections (2), and (4) through (7) of section 404 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, except that the liability for any difference in the costs and benefits described in paragraph (5) of such section shall be a liability of the Resolution Trust Corporation and not the Office of Thrift Supervision. Within 60 days of the date of enactment of this Act, the Federal Deposit Insurance Corporation shall assign each transferred officer and employee to a position performing services on behalf of the Resolution Trust Corporation with responsibilities commensurate with the qualifications and experience of each such transferred officer and employee, as determined by the Federal Deposit Insurance Corporation. Nothing contained herein shall be construed to require the Federal Deposit Insurance Corporation to assign any such transferred officer or employee to a position held by any officer or any employee of the Federal Deposit Insurance Corporation or of the Resolution Trust Corporation.

(B) Any employee that declines a transfer pursuant to subparagraph (A), shall be entitled to severance pay in accordance with section 5595 of title 5, United States Code. All such severance pay shall be paid by the Resolution Trust Corporation.

(C) If otherwise eligible, in addition to the severance pay provided by subparagraph (B), an employee that declines a transfer shall be entitled to an annuity under section 8336(d) or section 8414(b)(1) of title 5, United States Code.

(D) Any reduction-in-force or reorganization that occurs after the one-year period specified in section 404(4) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be conducted in accordance with chapters 33 and 35 of title 5, United States Code, and the procedures promulgated pursuant to them. Any such reduction-in-force or reorganization shall be deemed a "major reorganization" or a "major reduction-in-force" for purposes of section 8336(d)(2) and section 8414(b)(1)(B) of title 5, United States Code, and any separated employee shall be entitled to severance payments in accordance with section 5595 of title 5, United States Code.

(d) TRANSFER OF PROPERTY.—Effective upon enactment of this Act, all assets and liabilities of the Oversight Board on the day before enactment of this Act shall be transferred to the Resolution Trust Corporation.

SEC. 104. TECHNICAL AND CONFORMING AMENDMENTS.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 21 by striking "Oversight Board" each place it appears and inserting "Secretary of the Treasury"; and

(2) in section 21B—

(A) by striking "Oversight Board" each place it appears and inserting "Secretary of the Treasury"; and

(B) in subsection (k), by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (7) through (9), respectively.

TITLE II—DISPOSITION OF PROPERTY BY RESOLUTION TRUST CORPORATION

SEC. 201. SALES RECORDS.

Section 21A(a)(12)(D)(ii) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)(D)(ii)), as redesignated, is amended by striking the last sentence and inserting the following: "If the Corporation sells a property located in a distressed area for less than the minimum disposition price, it shall maintain a written record of the reasons for its decision.".

SEC. 202. SALE OF CONDOMINIUM PROPERTIES.

(a) IN GENERAL.—Section 21A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(2)), as redesignated, is amended by adding at the end the following new subparagraph:

"(C) OFFERS TO SELL CONDOMINIUM PROPERTIES.—Within a reasonable period of time after acquiring title to an eligible condominium property, the Corporation shall provide written notice to clearinghouses. Such notice shall contain basic information about the property. Each clearinghouse shall make such information available, upon request, to eligible multifamily purchasers. The Corporation shall allow eligible multifamily purchasers reasonable access to an eligible condominium property for purposes of inspection. For the 3 month period following the date on which the Corporation makes an eligible condominium property available for sale, the Corporation shall sell the property to—

"(i) qualifying households, or

"(ii) qualifying multifamily purchasers that agree to—

"(I) make the property available for occupancy by, and maintain it as affordable for, lower-income families for the remaining useful life of such property, or

"(II) make the property available for purchase by lower-income families.

The restrictions described in subclause (I) of the preceding sentence shall be contained in the deed or other recorded instrument. If upon the expiration of the 3 month period, no qualifying household or eligible multifamily purchaser has made a bona fide offer to purchase the eligible condominium property, the Corporation may offer to sell the property to any purchaser.".

(b) DEFINITION OF ELIGIBLE CONDOMINIUM PROPERTY.—Section 21A(b)(9) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)), as redesignated, is amended by inserting at the end the following new subparagraph:

"(Q) ELIGIBLE CONDOMINIUM PROPERTY.—The term "eligible condominium property" means a condominium unit as defined in section 604(6) of the Housing and Community Development Act of 1980—

"(i) to which the Corporation acquires title; and

"(ii) that has an appraised value that does not exceed the applicable dollar amount set forth in section 203(b)(2) of the National Housing Act (without regard to any increase of such amount for high-cost areas).".

SEC. 203. ANTI-SPECULATION PROVISIONS.

(a) IN GENERAL.—Section 21A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(2)), as redesignated, is amended by adding at the end the following new subparagraph:

"(D) ANTI-SPECULATION PROVISIONS.—If a property sold under this paragraph to a qualifying household is resold during the two years following the sale under this paragraph, any profit from the resale above the original sale price, increased for inflation and owner improvements, will be paid to the Corporation or its successor according to the following formula:

"(i) 75 percent of the profit will be paid to the Corporation if the property is sold during the first year following the sale under this paragraph; and

"(ii) 50 percent of the profit will be paid to the Corporation if the property is sold during the second year following the sale under this paragraph.".

(b) QUALIFYING HOUSEHOLD.—Section 21A(b)(9)(K) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)(K)), as redesignated, is amended—

(1) by redesignating clause (ii) as clause (iii);

(2) in clause (i), by striking "principle residence;" and inserting "principal residence for a minimum of twelve months; (ii) who certifies in writing that the household intends to occupy the property as a principal residence for a minimum of twelve months;"; and

(3) in clause (iii), as redesignated, by striking "adjusted".

SEC. 204. INCLUSION OF MULTIFAMILY PROPERTY UNDER CONSERVATORSHIP IN AFFORDABLE HOUSING PROGRAM AND CONTINUATION OF PROGRAM FOR SINGLE FAMILY PROPERTY.

(a) CONTINUATION OF AFFORDABLE HOUSING PROGRAM FOR ELIGIBLE SINGLE FAMILY PROPERTY UNDER CONSERVATORSHIP.—Section 203 of the Resolution Trust Corporation Funding Act of 1991 is amended by inserting "(b)" after "sections 201".

(b) DEFINITION OF CORPORATION.—Section 21A(b)(9)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)(C)), as redesignated, is amended to read as follows:

"(C) CORPORATION.—The term 'Corporation' means the Resolution Trust Corporation acting in its corporate capacity, acting in its capacity as an operating conservator, or acting in its capacity as receiver (including in its capacity as the sole owner of a subsidiary corporation).".

SEC. 205. DEFINITION OF INCOME FOR ELIGIBILITY DETERMINATION UNDER THE SINGLE FAMILY AFFORDABLE HOUSING DISPOSITION PROGRAM.

Section 21A(b)(9) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)), as redesignated, is amended by adding at the end the following new subparagraph:

"(R) INCOME.—The term 'income' has the same meaning as such term has under section 3 of the United States Housing Act of 1937.".

SEC. 206. PUBLIC DISCLOSURE OF TRANSACTIONS.

Section 21A(j)(2)(A) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(j)(2)(A)), as redesignated, is amended—

(1) by striking "and" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; and"; and

(3) by adding at the end the following:

"(iii) the identity of the accepted offeror and the terms of the accepted offer for sales of assets in excess of $250,000, by publication in the Federal Register no later than 30 days after the date of the transaction. For purposes of this clause, the term 'assets' includes any assets controlled or acquired by the Corporation as a result of its appointment as a conservator or a receiver.".

SEC. 207. OPERATION OF BRANCH FACILITIES BY MINORITIES AND WOMEN.

(a) ACQUISITION OF BRANCH FACILITIES FROM THE RESOLUTION TRUST CORPORATION.—Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by adding at the end the following new subsection:

"(p) ACQUISITION OF BRANCH FACILITIES IN MINORITY NEIGHBORHOODS.—

"(1) IN GENERAL.—In the case of any savings association for which the Corporation has been appointed conservator or receiver, the Corporation shall make available any branch of such association which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution on the following terms:

"(A) The branch shall be made available on a rent-free lease basis for not less than 5 years.

"(B) Of all expenses incurred in maintaining the operation of the facilities in which such branch is located, the institution shall be liable only for the payment of applicable real property taxes, real property insurance, and utilities.

"(C) The lease may provide an option to purchase the branch during the term of the lease.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) MINORITY DEPOSITORY INSTITUTION.—The term 'minority depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(i) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

"(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

"(B) WOMEN'S DEPOSITORY INSTITUTION.—The term 'women's depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(i) more than 50 percent of the ownership or control of which is held by 1 or more women;

"(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more women; and

"(iii) more than 50 percent of the senior management positions of which are held by women.

"(C) MINORITY.—The term 'minority' has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

"(D) The term 'predominantly minority neighborhood' shall be defined by regulation by the Corporation.".

(b) COMMUNITY REINVESTMENT CREDIT FOR DEPOSITORY INSTITUTIONS PROVIDING ASSISTANCE.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding at the end the following new section:

"SEC. 808. OPERATION OF BRANCH FACILITIES BY MINORITIES AND WOMEN.

"(a) IN GENERAL.—In the case of any depository institution which donates, sells on favorable terms (as determined by the appropriate Federal financial supervisory agency), or makes available on a rent-free basis any branch of such institution which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution, the amount of the contribution or the amount of the loss incurred in connection with such activity shall be treated as meeting the credit needs of the institution's community for purposes of this title.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MINORITY DEPOSITORY INSTITUTION.—The term 'minority depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(A) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

"(B) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

"(2) WOMEN'S DEPOSITORY INSTITUTION.—The term 'women's depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(A) more than 50 percent of the ownership or control of which is held by 1 or more women;

"(B) more than 50 percent of the net profit or loss of which accrues to 1 or more women; and

"(C) more than 50 percent of the senior management positions of which are held by women.

"(3) MINORITY.—The term 'minority' has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

"(4) The term 'predominantly minority neighborhood' shall be defined by regulation by the Corporation.".

SEC. 208. SELLER FINANCING PROCEDURES.

Section 21A(a)(12)(F) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)(F)), as redesignated, is amended by adding at the end the following: "Within 180 days from the date of enactment of the Resolution Trust Corporation Reform Act of 1991, the Corporation shall conduct a review of its seller financing procedures and endeavor to arrange appropriate financing to States, municipalities and other political subdivisions seeking to acquire real property assets of the institutions subject to the Corporation's jurisdiction.".

SEC. 209. UTILIZATION OF COMPETITIVE BIDDING METHODS.

(a) COMPETITIVE BIDDING.—Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by inserting at the end the following new subparagraphs:

"(H) UTILIZATION OF COMPETITIVE BIDDING METHODS.—In reviewing the Corporation's disposition of any real estate owned, any non-securitizable loan, or any other illiquid asset on a bulk sale basis or on an individual basis, the chief executive officer of the Corporation shall assure that all practicable competitive bidding, auction, and other marketing mechanisms are utilized to the maximum extent possible to maintain open competitive bidding.

"(I) ACTIVELY MARKETED ASSETS.—When a bona fide offer has been received and is under consideration by the Corporation in connection with the disposition of any real estate owned, any non-securitizable loan, or any other illiquid asset, any such asset shall be treated by the Corporation as an asset that is being actively marketed and is ineligible for disposition on a bulk sale basis or as part of an asset portfolio sale."

(b) REPORT ON AGE OF THE CORPORATION'S PORTFOLIO.—The chief executive officer of the Corporation shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives by March 31, 1992, a comprehensive review and summary of the amount of time that assets held by the Corporation from the date of the Corporation's creation through December 31, 1991, have been retained in the Corporation's portfolio.

SEC. 210. DISPOSITION OF SIGNIFICANT PROPERTY.

(a) IN GENERAL.—Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended—

(1) in the second to last sentence of subparagraph (F), by striking all that follows "thereafter" and inserting "and shall designate the properties in the inventory identified by the Secretary of the Interior pursuant to subparagraph (I) as having natural, cultural, recreational, or scientific value of special significance."; and

(2) by adding at the end the following new subparagraph:

"(J) IDENTIFICATION, DISPOSITION, AND PROTECTION OF PROPERTIES WITH NATURAL, CULTURAL, RECREATIONAL, OR SCIENTIFIC VALUE OF SPECIAL SIGNIFICANCE.—

"(i) PURPOSE.—The purpose of this subparagraph is to provide public and private entities with an adequate opportunity and incentive to acquire real estate with natural, cultural, recreational, or scientific value of special significance in order to preserve the character of such real estate.

"(ii) IDENTIFICATION OF PROPERTIES.—Not later than 60 days after the date on which the Corporation submits to the Secretary of the Interior any list of real property assets of institutions subject to the jurisdiction of the Corporation, the Secretary of the Interior shall—

"(I) review the real property assets of institutions contained on such list subject to the jurisdiction of the Corporation; and

"(II) identify properties having natural, cultural, recreational, or scientific value of special significance.

The Secretary of the Interior shall implement procedures by regulation, which shall include categorical exemptions for certain real property, in consultation with the Corporation, to identify properties and to ensure that the inventory is examined in a cost-effective manner.

"(iii) NATURAL, CULTURAL, RECREATIONAL, AND SCIENTIFIC VALUE DEFINED.—For purposes of identifying property having natural, cultural, recreational, or scientific value of special significance, the Secretary of the Interior shall define these terms. In defining these terms, the Secretary shall include—

"(I) property that receives protection under existing Federal laws and executive orders due to any unique natural, cultural, recreational, or scientific characteristics of such property; and

"(II) property that is described in clause (iv).

"(iv) PROPERTY HAVING NATURAL VALUE OF SPECIAL SIGNIFICANCE.—For purposes of this subparagraph, property having natural value of special significance includes property that directly contributes to—

"(I) the protection of endangered or threatened plants or animals;

"(II) the protection or restoration of wetlands, as described in the Emergency Wetlands Resources Act of 1986 and other wetlands identified under the authority of the North American Wetlands Conservation Act of 1989; or

"(III) the protection of land that is contiguous to or an inholding in a federally owned or State-owned conservation area or an area legally designated for acquisition for conservation purposes by a Federal or State agency.

"(v) ESTABLISHMENT OF INFORMATION CLEARINGHOUSE.—

"(I) After soliciting comments on such selection from public agencies and nonprofit organizations, including comments on whether the clearinghouse should be required to maintain a mailing list of interested agencies and organizations to be notified, the Corporation shall select a clearinghouse to be responsible for disseminating information relating to properties with natural, cultural, recreational, or scientific value of special significance. The clearinghouse should be organized to disseminate information according to the geographic location of the property rather than the geographic location of the financial institution which had controlled the property.

"(II) After the Corporation has selected a clearinghouse, the Secretary of the Interior shall provide the clearinghouse with a list of real estate that is available for sale and that has been identified as having natural, cultural, recreational, or scientific value of special significance.

"(vi) INVENTORY PUBLICATION; NOTIFICATION REQUIREMENTS.—

"(I) UPDATING OF RECORDS.—The Corporation shall update its inventory records to reflect the identification of properties by the Secretary of the Interior in accordance with clause (ii) not more than 30 days after the Corporation is notified of the identification.

"(II) INVENTORY PUBLICATION.—The publication by the Real Estate Asset Division of the Corporation of a revised list of the Corporation's inventory of real property assets, pursuant to subparagraph (F), shall include a designation of all properties identified by the Secretary of the Interior as having special significance under clause (ii).

"(vii) PROPERTY MAINTENANCE AND MANAGEMENT.—The Corporation shall maintain any property identified by the Secretary of the Interior as having special significance under clause (ii) in a manner consistent with the preservation of the property's special significance. Nothing contained in this subparagraph shall be construed to require the Corporation to restore, rehabilitate, or reclaim any such property, or to undertake any similar activities. The Corporation may employ, on a reimbursable basis, the services of any qualified individual to provide technical assistance and to maintain and manage the property during the period that the property is subject to the jurisdiction or control of the Corporation.

"(viii) TRANSFER OF INVENTORY LANDS.—Notwithstanding any other provision of this Act, the Corporation may in its sole discretion transfer property identified by the Secretary under clause (ii), or interests therein, at 50 percent of market value, as determined in accordance with the Corporation's established methods of appraisal or valuation, to any public agency or nonprofit organization if the agency or organization agrees to protect and maintain the special nature of the property by deed or other recorded instrument which is binding upon successors in interest to the property. If any such property sold ceases to be used by the public agency or nonprofit organization in the manner agreed to under this clause, all rights, title, and interest in and to the covered property shall revert to the United States.

"(ix) TRANSFER TO FEDERAL OR STATE AGENCIES.—Notwithstanding any other provision of this Act, at the request of the Secretary of the Interior, the Corporation shall transfer real property, or interests therein, without reimbursement, to any Federal or State agency for conservation purposes if the transfer of such property would directly contribute to—

"(I) the protection of endangered or threatened plants or animals;

"(II) the protection or restoration of wetlands as described in the Emergency Wetlands Resources Act of 1986 and other wetlands identified under the authority of the North American Wetlands Conservation Act of 1989; or

"(III) the protection of land that is contiguous to or an inholding in a federally owned or State-owned conservation area or an area legally designated for acquisition by a Federal or State agency.

Any such request by the Secretary of the Interior shall be made within 120 days from the date on which the Corporation submits to the Secretary of the Interior any list of real property assets of institutions subject to the jurisdiction of the Corporation.

"(x) TRANSFER OF PROPERTY TO PUBLIC AGENCIES OR NONPROFIT ORGANIZATIONS.—

"(I) RIGHT OF FIRST OFFER.—For a 45-day period beginning on the date that the clearinghouse receives the list of real estate from the Secretary of the Interior pursuant to clause (v), the Corporation shall not offer to sell property on the list to any entity other than a public agency or nonprofit organization described in clause (viii).

"(II) NOTICE OF INTEREST.—If a public agency or nonprofit organization submits a timely notice of interest in the property, the Corporation may not sell or otherwise transfer the property during the 90-day period beginning upon the expiration of the initial 45-day period, except to such agency or nonprofit organization under clause (viii).

"(III) NO NOTICE OF INTEREST.—If the Corporation does not receive a timely notice of interest in the property from a public agency or nonprofit organization, the Corporation may sell or otherwise transfer the property to any purchaser or transferee.

"(xi) UNDEVELOPED LAND.—Pending the determination by the Secretary of the Interior as to whether property has natural, cultural, recreational, or scientific value of special significance under clause (ii), the Corporation shall not offer to sell any parcel of undeveloped land larger than 5 acres except to a public agency or nonprofit organization that agrees to comply with the condition contained in clause (viii) or to a Federal or State agency under clause (ix). If the Secretary of the Interior fails to make a determination under clause (ii) with respect to any such parcel of land larger than 5 acres within 120 days from the date on which the Corporation has submitted a list of property containing such parcel of undeveloped land larger than 5 acres, the Corporation shall have the right to sell or otherwise transfer any such parcel. Nothing contained in this section shall be construed to prohibit the Corporation from selling or otherwise transferring any property other than undeveloped land larger than 5 acres pending a determination of the Secretary of the Interior under clause (ii).

"(xii) LIMITATION OF PRIVATE RIGHT OF ACTION.—The provisions of this subparagraph, or any failure by the Corporation to comply with the provisions, may not be used by any person to attach or defeat title to property after it is conveyed by the Corporation. The preceding sentence shall not apply in the case of a failure by any successor in interest to property conveyed or transferred by the Corporation under this subparagraph, to comply with clause (viii).

"(xiii) ADMINISTRATIVE PROVISIONS.—

"(I) The Corporation shall not reimburse or otherwise compensate the Secretary of the Interior for the costs and expenses incurred by the Secretary in carrying out his responsibilities under this subparagraph, except as provided in clause (vii).

"(II) The requirements imposed upon the Corporation by this subparagraph shall become effective upon the date on which final regulations adopted by the Secretary of the Interior pursuant to clause (ii)(II) take effect, or 90 days after the date of enactment of the Resolution Trust Corporation Reform Act of 1991, whichever is later. The Secretary shall issue regulations pursuant to clause (ii)(II) not later than 120 days after the date of enactment of this Act.".

(b) AMENDMENTS TO THE COASTAL BARRIER IMPROVEMENT ACT.—Section 10 of the Coastal Barrier Improvement Act of 1990 (12 U.S.C. 1441a-3) is amended—

(1) in the section heading, by striking "RTC AND";

(2) in subsections (a)(1) and (b)(1), by striking "Resolution Trust Corporation and the";

(3) in subsection (a)(1), by striking "each submit" and inserting "submit";

(4) in subsection (a)(2), by striking "each corporation concerned" and inserting "the Federal Deposit Insurance Corporation";

(5) in subsections (a)(1), (b)(1), (b)(2), (b)(3), and (b)(4), by striking "the corporation con-

cerned" each time it appears and by substituting "the Federal Deposit Insurance Corporation";

(6) in subsection (b)(3), by striking "a corporation concerned" and by substituting "the Federal Deposit Insurance Corporation";

(7) in subsection (c), by striking paragraph (1) and by redesignating paragraphs (2), (3), and (4), as paragraphs (1), (2), and (3), respectively; and

(8) by striking subsection (c)(1)(A), as redesignated, and inserting the following:

"(A) to which the Federal Deposit Insurance Corporation has acquired title in its corporate capacity or which was acquired by the former Federal Savings and Loan Insurance Corporation in its corporate capacity; and".

SEC. 211. OFFICE OF DISPUTE RESOLUTION.

Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by adding at the end the following new subparagraph:

"(K) OFFICE OF DISPUTE RESOLUTION.—The Corporation shall establish an Office of Dispute Resolution, which shall have only the following duties:

"(i) To act as an impartial mediator to resolve disputes that may arise between asset management and disposition contractors and owners of property subject to loans formerly held by the Corporation.

"(ii) To work with the parties described in clause (i) for the purpose of settling disputes.".

SEC. 212. INTEREST PAID BY INSTITUTIONS IN CONSERVATORSHIP.

Section 21A(a)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(4)), as redesignated, is amended—

(1) by striking "Except as provided" and inserting the following:

"(A) IN GENERAL.—Except as provided"; and

(2) by adding at the end the following new subparagraph:

"(B) RESTRICTION ON INTEREST RATE PAID.—Any insured depository institution for which the Corporation is the conservator may not pay a rate of interest on such funds which, at the time that such funds are accepted, significantly exceeds the rate paid on deposits of similar maturity in such institution's normal market area for deposits accepted in the institution's normal market area.".

SEC. 213. MANAGEMENT AND DISPOSITION OF PROPERTY BY LOCAL OFFICE WHICH IS CLOSEST TO THE PROPERTY.

Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by adding at the end the following new subparagraph:

"(L) REAL ESTATE MANAGEMENT AND DISPOSITION.—The Corporation shall establish a procedure under which—

"(i) real estate assets of any institution described in paragraph (3)(A) shall be managed and disposed of by the Corporation through the office of the Corporation which is closest to the location of any such real estate asset; and

"(ii) the management and disposition of assets pursuant to clause (i) shall be properly accounted for to the office of the Corporation which is responsible for administering the receivership of the institution referred to in such clause, consistent with the fiduciary responsibility of the Corporation to the creditors of the institution.".

TITLE III—MISCELLANEOUS

SEC. 301. SUSPENSION OF FUNDING UPON THE FAILURE TO PROVIDE AN AUDITED FINANCIAL STATEMENT.

(a) FINANCIAL STATEMENT FOR FISCAL YEAR 1990.—If no financial statement of the Corporation for fiscal year 1990 which has been independently audited by a certified public accountant has been submitted to the Congress by the end of fiscal year 1991, no amount provided to the Corporation under section 21A(i) of the Federal Home Loan Bank Act shall be available for obligation until such audited financial statement has been submitted to the Congress.

(b) FINANCIAL STATEMENT FOR FISCAL YEAR 1991.—If no financial statement of the Corporation for fiscal year 1991 which has been independently audited by a certified public accountant has been submitted to the Congress by the end of fiscal year 1992, no amount provided to the Corporation under section 21A(i) of the Federal Home Loan Bank Act shall be available for obligation until such audited financial statement has been submitted to the Congress.

(c) INDEPENDENT AUDIT PROVISION.—An audit of a financial statement of the Corporation which has been conducted by the Comptroller General of the United States, using the services of certified public accountants, shall be treated as an independent audit for purposes of subsections (a) and (b).

SEC. 302. UNINSURED DEPOSITORS NOT COVERED.

Section 21A(a) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)), as redesignated, is amended by adding to the end the following new paragraph:

"(15) DEPOSIT INSURANCE FUNDS AVAILABLE FOR INTENDED PURPOSE ONLY.—

"(A) IN GENERAL.—The Corporation may not take action, directly or indirectly, with respect to any institution described in paragraph (3)(A) that would have the effect of increasing losses to the Corporation by protecting—

"(i) depositors for more than the insured portion of deposits (determined without regard to whether such institution is liquidated); or

"(ii) creditors other than depositors.

"(B) PURCHASE AND ASSUMPTION TRANSACTIONS.—No provision of this paragraph shall be construed as prohibiting the Corporation from allowing any person who acquires any assets or assumes any liabilities of any institution described in paragraph (3)(A) for which the Corporation has been appointed conservator or receiver to acquire uninsured deposit liabilities of such institution so long as the Corporation does not incur any loss with respect to such deposit liabilities in an amount greater than the loss which would have been incurred with respect to such liabilities if the institution had been liquidated.".

SEC. 303. DISCLOSURE OF CERTAIN RESOLUTION TRUST CORPORATION SALARIES.

Section 21A(j)(5)(B)(iii) of the Federal Home Loan Bank Act (1441a(j)(5)(B)(iii)), as redesignated, is amended by adding before the period the following: ", and the name of each person acting on behalf of the Corporation and the Federal Deposit Insurance Corporation paid at a rate in excess of the rate for level V of the Executive Schedule during such period, and the amount of compensation paid such employees during the reporting period".

SEC. 304. WHISTLEBLOWER PROTECTION.

Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by adding at the end the following new subsection:

"(q) RTC AND RTC CONTRACTOR EMPLOYEE PROTECTION REMEDY.—

"(1) PROHIBITION AGAINST DISCRIMINATION.—The Corporation and any person who is performing, directly or indirectly, any function or service on behalf of the Corporation may not discharge or otherwise discriminate against any employee (including any employee of the Federal Deposit Insurance Corporation being utilized by the Corporation) with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to the Corporation, the Attorney General, or any appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) regarding any possible violation of any law or regulation by the Corporation or such person or any director, officer, or employee of the Corporation or the person.

"(2) ENFORCEMENT.—Any employee or former employee who believes that such employee has been discharged or discriminated against in violation of paragraph (1) may file a civil action in the appropriate United States district court before the end of the 2-year period beginning on the date of such discharge or discrimination.

"(3) REMEDIES.—If the district court determines that a violation has occurred, the court may order the Corporation or the person which committed the violation to—

"(A) reinstate the employee to the employee's former position;

"(B) pay compensatory damages; or

"(C) take other appropriate actions to remedy any past discrimination.

"(4) LIMITATION.—The protections of this section shall not apply to any employee who—

"(A) deliberately causes or participates in the alleged violation of law or regulation; or

"(B) knowingly or recklessly provides substantially false information to the Corporation, the Attorney General, or any appropriate Federal banking agency.".

SEC. 305. GAO STUDY OF PRIVATIZATION OF RESOLUTION TRUST CORPORATION FUNCTIONS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) the feasibility of transferring all or a substantial portion of the functions being performed by the Corporation as of the date of enactment of this Act to the private sector;

(2) the most efficient methods for accomplishing the transfer; and

(3) the potential benefits of the transfer to the Corporation and the United Sates Government.

(b) REPORT.—The Comptroller General shall submit a report to the Congress before the end of the 6-month period beginning on the date of the enactment of this Act containing—

(1) the findings and conclusions of the Comptroller General in connection with the study conducted under subsection (a); and

(2) such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.•

• Mr. DIXON. Mr. President, for some time I have been very concerned about the progress of the Resolution Trust Corporation. As chairman of the Subcommittee on Consumer and Regulatory Affairs, I have become more and

more alarmed that the RTC is not operating efficiently. I am equally distressed over the RTC's apparent lack of accountability.

In hearings before both the subcommittee and the full Banking Committee, I have listened to testimony from representatives of small businesses, from academics, and from RTC officials. The cumulative effect of these hearings and testimonies is that I am convinced, more than ever, that the administrations handling of the savings and loan debacle has been poorly conceived and inadequately executed. Most of all, I am convinced that the original oversight structure of the RTC was poorly designed by the administration, creating unclear lines of decisionmaking and diffusing needed accountability.

Again, in hearing after hearing, in letter after letter, in town meeting after town meeting, citizens have voiced their concern over the RTC. The horror stories are mind boggling, and sadly, I do not see them diminishing. Two full years after the creation of the RTC, it is still an unwieldy bureaucracy staffed with career bureaucrats who have little understanding of private sector needs. This Senator and other members have listened to the repeated assurances that changes would be made and that goals would be met. Well, I have news that is no news to the many frustrated individuals throughout the country: The assurances keep flooding from the RTC but changes and progress are only trickling out.

Remember, it was the administration that set up the Resolution Trust Corporation; it was the administration that first told us that the bailout would cost the American taxpayers $19 billion, then $40 billion, then $80 billion, and finally $160 billion. Now it is the administration that tells us not to change the structure of the RTC. The administration asked Congress to accept their plan for the RTC, but one look at the escalating cost to the taxpayer, exacerbated by a poorly constructed and poorly run RTC, emphasizes Congress' responsibility to take corrective action.

Last summer, I introduced a bill to create the position of chief executive officer of the RTC. It was my hope that we could find a strong, independent businessperson with proven success in the private sector to turn things around. Equally important was the goal of increased accountability. I wanted one person to make the decisions and one person to be held accountable. I wanted the buck passing and finger pointing to end.

The administration has recently selected a CEO for the RTC and I applaud this action. The creation of an RTC CEO was an important first step; however, it is not enough. There is concern that the present RTC oversight apparatus might be so diffused and so sprawling as to rob this CEO of any potential for success.

Instead of establishing a clear link of responsibility, the authority and accountability for the policies and operations of the RTC are divided between two boards. By law, the oversight board is to be held accountable for the RTC, while exclusive authority for management of the Corporation is vested in the FDIC. The RTC Board is subject to oversight board supervision for some of its functions but not for others. Clearly, this is a confused and inefficient system.

Recently, the administration proposed a plan to modify the existing dual board structure. This was to be accomplished in part by adding new members to each of the two boards and then slightly modifying the power of the oversight board. It is this Senator's opinion that this relatively cosmetic face lift does nothing to seriously repair the flawed features of the RTC's structure.

On October 23, 1991, I chaired a hearing on restructuring the RTC. The testimony was direct and compelling. Dr. Harold Seidman, senior fellow at the National Academy of Public Administration, a nonpartisan organization, stated:

> We do not believe these basic deficiencies in the present structures can be cured by halfway measures and mere tinkering with the membership and functions of the oversight board.

He went on to say:

> The creation of a dual board structure for a U.S. Government corporation is utterly without precedent and cannot be justified as necessary to maintain sound management and protect the public interest.

Mr. Alan Dean, another expert in public administration testified:

> I have never seen such a Jerry-built * * * unsatisfactory structure as that which now exists for the RTC framework.

This Senator has become convinced that oversight by two boards results in unnecessary confusion and conflict. I am determined to give the new RTC CEO, Al Casey, the best possible chance for success. I am a great believer in the power of one qualified individual to effect significant change. I believe Al Casey is an individual who can make changes and put the RTC back on the right track, but we must be sure that his hands are not tied. Mr. Dean additionally stated:

> To pretend that a confused multi-board structure will be a help to Mr. Casey is simply not the case * * * I think any objective observer would note, there's absolutely no reason for these two boards, nor would it be difficult for Congress to provide for their elimination.

Mr. President, today I join with Senator RIEGLE in introducing S. 1943, a bill that calls for a single streamlined Board of Directors chaired by the Chief Executive Officer of the Resolution Trust Corporation.

I believe this is one more crucial step in insuring that we clean up the cleanup. As I have said before, I do not believe that all of the RTC's problems will be instantly solved; they will not. I do believe that a strong CEO, serving as Chairperson to a streamlined Board, can begin to take action to solve the bureaucratic nightmares which have plagued the RTC.●

● Mr. DODD. Mr. President, I rise today to join the distinguished chairman of the Banking Committee, Senator RIEGLE, and others in introducing the Resolution Trust Corporation Reform Act of 1991.

The RTC Reform Act will streamline the RTC's management. At the outset, I realize it is difficult for people to instinctively understand the need for doing this. Management theory, after all, is a dry subject that is usually the province of business school academicians.

The fact is that the Resolution Trust Corporation was created in 1989 to clean up the remains of the savings and loan debacle. The RTC is charged with closing down failed thrifts and selling off their assets, all at the least possible cost to taxpayers.

Mr. President, RTC restructuring is important because cleaning up the thrift debacle may cost every man, woman, and child in America as much as $1,000 each before all is said and done. That translates into a total of more than $250 billion. And that is money that could be much better spent on health care, or housing, or education, or on any of a thousand and one other pressing needs.

The more disorganized the RTC is, the higher the ultimate cost is going to be. The more cumbersome the RTC's management structure is, the harder it will be to get the job done and to put this disaster behind us.

Mr. President, there is no question about it. The RTC is disorganized. The two-Board structure that is supposed to be running things makes even the most complicated Rube Goldberg contraption look simple by comparison. Decisions aren't made. Simple questions take months to get answered. Accountability is divided, and the truth is, no one's in charge. And for every day that the problems persist, the cost to taxpayers rises.

In addition, the chaos at the RTC creates huge headaches for those who try to do business with the agency.

Just today I received a letter from a constituent who has been seeking for months to take possession of a house that he bought at an RTC auction back in June. Three times the RTC has set a date for closing. Three times those dates have gone by the boards because the RTC can't get all its documents together, or hasn't had all the necessary signoffs from its officials, or there has been some other snafu.

Mr. President, it is very cold up in Connecticut this time of year, and my constituent's house is unoccupied be-

cause of RTC delays. While papers are shuffled among the RTC offices in Massachusetts, Pennsylvania, and California, squatters appear to be taking refuge in his house. The utilities cannot be switched on, and as a result the water pipes may burst and the heating system freeze. Dealing with the RTC is turning into a much more expensive proposition than my constituent bargained for.

And this constituent's case is by no means an isolated incident. Rather, it is a prime example of the type of horror story I hear all the time about the RTC. Higher ups can't make decisions because it is never clear who is in charge. Papers are shuffled through an endless series of bureaucratic mazes all across the country. Many buyers just walk away, frustrated. And those who do persist wind up paying through the nose for all their trouble.

Mr. President, the bill we are introducing today would simplify the RTC's structure. Following the example of private corporations, it would establish one board to set broad policies, and one chief executive officer to manage day-to-day operations. This structure is not a panacea and it will not end all the horror stories. But it will clear up much of the confusion that breeds so many bureaucratic snafus.

How is the administration responding to this proposal?

The Treasury Department's so-called RTC restructuring plan begins with the pretzel logic of the current system, and builds in even more bureaucracy. The administration insists it will not allow all the management responsibility to be concentrated in a single board. Instead, it wants to keep the current two-Board structure, and add members to each. That is very odd coming from an administration that rails constantly against inefficiency in Government and the need to streamline the bureaucracy.

Mr. President, I regret to say it, but I am afraid that this is the same type of inflexibility and ignorance of reality that we are seeing from the administration on a host of financial issues. The administration needs to wake up and begin to demonstrate the type of leadership that current problems require, not just on the RTC, but on the credit crunch and other matters.

Yesterday, for example, I voted against the nomination of Bob Clarke to continue as Comptroller of the Currency. It was not out of any animosity toward Mr. Clark. Quite the contrary, I like Bob Clarke, but I felt I had no choice but to send the administration a message to pay attention to the credit crunch in New England.

The truth is that we're being clobbered up there. We've lost 96,000 jobs over the past year in Connecticut alone. Business failures in Connecticut during the first seven months of 1991 were up 220 percent over the same period in 1990. Thousands have exhausted their unemployment benefits. Things haven't been this bad since the Second World War, and people no longer talk about a recession. They talk about a depression.

The credit crunch is making matters much worse. I could tell you story after story of banks cutting off creditworthy borrowers, many of whom have been customers for years. I could tell you about the cases I know of small companies literally being put out of business because once they are cut off, there's nowhere else to turn for credit. And the more businesses that fail, the longer the unemployment lines stretch.

Mr. President, the people of Connecticut and New England need help, and they need it fast. And that is why I was sent down here, not to ignore their problems. Not to paper over their pain with some bad assertions that recovery is just around the corner. But to find ways that Government can play a positive, proactive role in getting our economy moving again.

In this vein, other members of the New England delegation and I have gone to the administration time after time after time. We've met with them. We've had them up to New England for countless visits. We have had a whole series of pleasant meetings and polite conversations, but every time we've tried to get the administration to take some concrete action that could ease people's pain, we've been turned down. On capital infusion. On getting the regulators to be more sympathetic to our economic problems. Each time we've asked for their help, the administration has given us a flat-out "No."

Of course, the administration trots out a whole list of directives it has issued to regulators about the credit crunch. They issued another one today, but if they would only talk to people in New England, they'd understand pretty quickly that the message isn't getting through. On Monday I met with a group of 30 CPA's who represented over 1,000 businesses in Connecticut. They know all too well that there is still a credit crunch in Connecticut, and they speak eloquently about the climate of fear that still grips lenders, even after the raft of Treasury directives.

Mr. President, the administration needs to wake up and see the pain and the suffering and the anger for themselves. They need to demonstrate they care. They need to roll up their sleeves, and find some solutions. I have worked with others in Congress on capital infusion plans, on an innovative stock guarantee proposal for small banks, and on other efforts. And I would love to see the administration join us on some of those efforts.

Mr. President, I want to mention one other issue in this connection. Last year, the distinguished junior senator from Missouri [Mr. BOND] and I pushed through a bill to explore the causes of the thrift crisis. Our idea was to set up a bipartisan panel that would compile a complete account of the many factors which contributed to the biggest financial disaster in the history of humanity.

This panel was created almost a year ago, but it has not yet met, because of a host of bureaucratic delays. I would hope that the administration will make some efforts to cut through the red tape, so that the commission can get underway. It is far past time that America got some answers about the source of the $180 billion hole that the RTC is now trying to fill.

Mr. President, in closing, let me say that I am pleased that negotiations are once again slouching toward production of a banking bill. The administration has worked hard for a bill, and has, I think, demonstrated great realism in recognizing the wisdom of modernizing our financial services industry. My hope is, however, that the administration will soon put the same degree of energy and realism into the RTC restructuring issue, the credit crunch, and the thrift commission.●

By Mr. KENNEDY (for himself, Mr. HARKIN, Mr. PELL, and Mr. BINGAMAN):

S. 1944. A bill to amend the Public Health Service Act to strengthen the Nation's health promotion and disease prevention activities, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROMOTION AND DISEASE PREVENTION ACT OF 1991

Mr. KENNEDY. Mr. President, today I am introducing legislation to improve two of the most neglected aspects of our health care system—health promotion and disease prevention. The Health Promotion and Disease Prevention Act of 1991 emphasizes that an ounce of prevention is worth a pound of cure. It capitalizes on the strengths of the current law and further solidifies the Federal-State partnership in promoting health and preventing disease and disability.

Preserving and enhancing the quality of life for all Americans is the overall goal of this legislation and it is particularly timely now. Over three-quarters of our national health care costs are the result of diseases or injuries that are preventable. Nine preventable chronic diseases are responsible for over 50 percent of all deaths in this Nation. Yet, of over $600 billion spent on health care each year, less than 3 percent will be spent on health promotion and disease prevention.

Chronic diseases, such as heart disease and cancer, are responsible for over 1.5 million deaths each year. Seventeen percent of children under the age of 6 may be suffering from lead poisoning. Over 2.3 million victims are hospitalized for injuries each year and over 150,000 deaths result. Twenty to

thirty percent of children aged 2 and younger have inadequate immunization. Many of the factors responsible for chronic diseases, disabilities, or deaths are preventable through health promotion and disease prevention activities.

The human costs are accompanied by the staggering economic costs for treatment of these preventable conditions. Cardiovascular disease alone costs the Nation $135 billion annually. Injuries cost $100 billion and cancer costs $70 billion. The lifetime cost of one child with congenital rubella is $354,000, which could have been avoided if the mother had been immunized at a cost of $30. Over 7 million Americans have coronary artery disease. The costs associated with the surgical treatment of this disease averages $30,000 per patient.

The treatment of advanced cervical cancer costs $28,000 for just the first year. The lifetime costs to treat and rehabilitate quadriplegic victims of preventable injury exceed $570,000. We pay billions of dollars a year to treat diseases and illness that could have been prevented.

The effectiveness of preventive health measures has been demonstrated time and again. The control of high blood pressure is one of the most effective measures for reducing death rates from heart disease and stroke. The cost-benefit analysis of lead poisoning prevention suggests that for every dollar invested we save two in future treatment.

The preventive health and health service block grant provides funding to States for a wide range of public health and preventive services, including breast and cervical screening, hypertension and cholesterol screening, health education, emergency medical technician training, rodent control, water fluoridation, and dental health. In addition to the block grant, several categorical programs include childhood lead poisoning prevention, injury control, and sexually transmitted disease control.

Although the block grant activities and categorical programs have been successful in providing some preventive health services, the current health promotion and disease prevention activities need vigorous revitalization. The public health system continues to suffer from lack of resources, lack of uniform data reporting, insufficient priorities, poor coordination between different levels of government, and inadequate accountability.

This legislation focuses on correcting the health problems of adolescents, women, and minorities, on injury prevention and on control and prevention of childhood lead poisoning by dramatically strengthening our public health system programs and infrastructure.

Contrary to standard thought, adolescents are not among the healthiest Americans. About one in five of today's adolescents have at least one serious health problem. The future contributions of young people are too often lost because of the senseless violence of suicide and homicide, or the tragedy of malnutrition or chronic despair which occur in many of our youth. Young Americans are the Nation's future, and we must act systematically and aggressively to meet their complex needs.

In women, cardiovascular disease accounts for 28 percent of all deaths. In 1991, an estimated 175,000 new causes of breast cancer and about 44,500 deaths will occur. In addition, osteoporosis, obesity, and infertility are major threats to the health and well-being of women in America.

Minorities and the poor continue to suffer disproportionately from serious health conditions. Many preventable diseases occur at higher rates and access to quality health promotion and disease prevention services are inadequate.

Unintentional injuries are the fourth leading cause of death resulting in about 100,000 deaths each year. Nonfatal injuries are responsible for 1 of every 6 hospital days. The economic costs from injuries have been estimated at $100 billion annually.

This legislation strengthens our efforts in adolescent health, the health of women, in lead poisoning prevention and screening, and in injury control. It will help reduce the heavy burden of chronic illness, morbidity, and disability in minorities and the disadvantaged and it will strengthen the current preventive health and health services block grant and categorical programs. Plainly put, this legislation will save millions of American lives through the promotion of health and the prevention of disease.

The economic costs are staggering. It is the human costs, that shock the mind, heart, and conscience of the Nation. We can do far more to prevent the physical, emotional, and mental anguish that result from premature disease, disability, and death and that scar so many families in our society.

With this legislation, we take a major step toward improving the Nation's health and enhancing our future. I urge my colleagues to support this measure, and I ask unanimous consent that the full text of the bill may be printed in the RECORD.

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

S. 1944

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Promotion and Disease Prevention Act of 1991".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—HEALTH PROMOTION AND DISEASE PREVENTION ASSISTANCE
Sec. 101. Short title.
Subtitle A—Preventive Health and Health Services Block Grant
Sec. 110. Reauthorization of preventive health and health services block grant.
Sec. 111. Reporting and data collection improvements.
Sec. 112. Establishment of block grant requirement to address health promotion and disease prevention related to women's health.
Sec. 113. Reauthorization of State planning functions.
Sec. 114. Health promotion and disease prevention research centers.
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TITLE II—COORDINATION OF HEALTH PROMOTION AND DISEASE PREVENTION ACTIVITIES
Sec. 201. Short title.
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Sec. 207. State offices of minority health.
TITLE III—CENTERS FOR DISEASE CONTROL AND PREVENTION FOUNDATION
Sec. 301. Short title.
Sec. 302. Establishment of the Centers for Disease Control and Prevention foundation.
TITLE IV—PREVENTABLE CASES OF INFERTILITY
Sec. 401. Establishment of program of grants regarding preventable cases of infertility arising as result of sexually transmitted diseases.
TITLE V—MISCELLANEOUS
Sec. 501. Establishment of an Advisory Council on Health Promotion and Disease Prevention.
Sec. 502. Responsibilities of members of the commissioned corps for health promotion and disease prevention.
Sec. 503. Responsibilities of the surgeon general for disseminating information and recommendations.
Sec. 504. Change in name of Centers for Disease Control.
Sec. 505. Study concerning the reduction of the risk of bloodborne disease transmission.

SEC. 2. REFERENCES.

Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

TITLE I—HEALTH PROMOTION AND DISEASE PREVENTION ASSISTANCE

SEC. 101. SHORT TITLE.

This title may be cited as the "Health Promotion and Disease Prevention Assistance Act of 1991".

Subtitle A—Preventive Health and Health Services Block Grant

SEC. 110. REAUTHORIZATION OF PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT.

Section 1901 (42 U.S.C. 300-w) is amended—

(1) in subsection (a), by striking out "$95,000,000" and all that follows through the end thereof and inserting the following: "$275,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.";

(2) in subsection (b), by striking out "at least $3,500,000" and inserting in lieu thereof "at least $7,000,000"; and

(3) by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this subtitle, if amounts appropriated under subsection (a) for any fiscal year exceed $150,000,000 all of such amounts shall be used to carry out subpart 2 for such fiscal year.".

SEC. 111. REPORTING AND DATA COLLECTION IMPROVEMENTS.

(a) ANNUAL REPORTS.—Subsection (a) of section 1906 (42 U.S.C. 300w-5(a)) shall be amended to read as follows:

"(a)(1) Each State receiving an allotment, and each entity receiving a grant, under this part shall prepare and submit to the Secretary an annual report concerning the activities carried out by such State or grantee with amounts received under this part. Such reports shall describe the services provided using such amounts in accordance with subsections (a) and (e) of section 1904.

"(2) The Secretary, acting through the Centers for Disease Control and Prevention and in consultation with the States and the National Health Objectives Advisory Committee, shall develop uniform data items and data formats for the annual reports required under paragraph (1). Such uniform data items and formats shall constitute the minimum requirements that States must meet in submitting annual reports under paragraph (1).

"(3) In addition to complying with the uniform data item and format requirements of paragraph (2), an annual report submitted under paragraph (1) shall specifically provide if readily available—

"(A) the number of individuals provided with services in the service areas designated under subsections (a) and (e) of section 1904;

"(B) the percentage of minorities and disadvantaged individuals served within each of the service areas described in subparagraph (A); and

"(C) any other demographic information that the Secretary, after consultation with the States, determines appropriate.".

(b) INVESTIGATIONS.—Subsection (d) of section 1906 (42 U.S.C. 300w-5(d)) is amended to read as follows:

"(d) The Secretary, in consultation with the States and the National Health Objectives Advisory Committee, shall periodically update a set of priority national health status indicators, to be used to evaluate and monitor the overall health of the United States and of selected subgroups within the United States.".

(c) HEALTH STATUS REPORTS.—Section 1906 (42 U.S.C. 300w-5) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary shall determine the capability of each State to evaluate and submit a report, in a uniform format, concerning the health status of the State as measured in terms of the health objectives parameters as described in subsection (d).

"(2)(A) Except as provided in subparagraph (B), with respect to a State that is determined by the Secretary under paragraph (1) to be unable to adequately evaluate its health status, such State shall be required to utilize not more than 10 percent of the amounts paid to the State under section 1903 for a fiscal year to develop the capacity to make such an evaluation. Amounts under section 1903 shall be so utilized until such time as the Secretary determines that such capacity has been achieved by the State.

"(B) The Secretary may waive the requirement of subparagraph (A) in the case of a State, territory or Indian tribe that is determined by the Secretary to be unable to develop the capacity required under paragraph (1) through the utilization of the funds required under such subparagraph.

"(3) With respect to entities that are eligible to receive grants under this part, that apply for such grants, and that the Secretary determines do not have the resources to efficiently establish the capacity for evaluating their health status as provided for in paragraph (1), the Secretary, in consultation with the State agencies, may provide technical assistance to enable such entities to make such evaluations and such entities shall be exempt from the requirements of paragraph (1).

"(4) An entity described in paragraph (3) shall indicate in the annual report submitted by such entity under subsection (a) the status of such entity under such paragraph and the Secretary shall review such status once during every 3-year period.".

(d) REPORT TO CONGRESS.—Section 1906 (42 U.S.C. 300w-5(b)) (as amended by subsection (a)) is amended—

(1) by striking out paragraph (6) of subsection (b); and

(2) by adding at the end thereof the following new subsection:

"(f) Not later than 3 years after the date of enactment of this subsection, and every 3 years thereafter, the Secretary shall prepare and submit a report to Congress concerning the activities of the States that have received funds under this part. Such report shall include State compilations of the information contained in the reports prepared under subsection (a), and any recommendations for appropriate changes in legislation necessary to facilitate improvement in the health status indicators described in subsection (d), facilitate the implementation of the State plans described in subsection (a)(3)(A) and ensure compliance with section 1905(c)(8), and to facilitate other changes determined appropriate by the Secretary under this part.".

(e) APPLICATION.—Section 1905 (42 U.S.C. 300w-4) is amended—

(1) in subsection (c)—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(8) agrees that continuing education credits in the utilization of universal precautions, and infection control procedures for the prevention of bloodborne disease transmission, shall be required as part of those credits required for health professional relicensure."; and

(2) in subsection (d), by striking out the last sentence and inserting in lieu thereof the following new sentences: "The description shall include, a summary of the manner in which the funds will be allocated under section 1904(a)(1), and which health status indicators (as described in section 1906(d)) such allocations are intended to address. The description shall also include prior year information concerning the State's health status according to the health status indicators (as described in section 1906(d)).".

SEC. 112. ESTABLISHMENT OF BLOCK GRANT REQUIREMENT TO ADDRESS HEALTH PROMOTION AND DISEASE PREVENTION RELATED TO WOMEN'S HEALTH.

Section 1904 (42 U.S.C. 300w-3) is further amended by adding at the end thereof the following new subsection:

"(e) Each State that receives payments under section 1903 shall demonstrate that a portion of such payments are being utilized in each fiscal year for health promotion and disease prevention activities related to women's health, such as osteoporosis, physical abuse, diabetes and tobacco use.".

SEC. 113. REAUTHORIZATION OF STATE PLANNING FUNCTIONS.

Section 7 of the Year 2000 Health Objectives Planning Act (Public Law 101-582) is amended to read as follows:

"SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this Act and for the establishment and operation of State Health Objectives Advisory Committees under section 1910I(b) of the Public Health Service Act, there are authorized to be appropriated $10,000,000 for fiscal year 1992 and such sum as necessary for each of the fiscal years 1993 through 1996.".

SEC. 114. HEALTH PROMOTION AND DISEASE PREVENTION RESEARCH CENTERS.

Section 1706(e) (42 U.S.C. 300u-5(e)) is amended by striking out "$3,000,000" and all that follows through the end thereof and inserting "$12,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 115. USE OF ALLOTMENTS.

Section 1904(a)(1) (42 U.S.C. 300w-4(a)(1)) is amended in the matter preceding subparagraph (A) by striking out "and (c)" and inserting in lieu thereof "(c), (e), and (f)".

SEC. 116. TRAINING.

Part A of title XIX (42 U.S.C. 300w et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1910A. TRAINING.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall, to the extent appropriations are available to provide assistance for the professional training of public health personnel, including—

"(1) the identification of new knowledge bases and skills for State and local public health personnel that are reasonably necessary and appropriate to permit the States to achieve the national health priorities; and

"(2) encouraging the training and education of appropriate numbers of such personnel, including racial and ethnic minority personnel, in such knowledge bases and

skills, including cross cultural skills, by establishing cooperative agreements with schools of public health, schools of nursing, schools of medicine, and other institutions that train and educate such personnel; and

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.".

Subtitle B—National Health Objectives Project Grants to States

SEC. 121. NATIONAL HEALTH OBJECTIVES PROJECT GRANTS TO STATES.

Part A of title XIX (42 U.S.C. 300w et seq.) is amended—

(1) in the part heading, to read as follows:

"PART A—PREVENTIVE HEALTH AND NATIONAL HEALTH OBJECTIVES GRANTS";

(2) by inserting after the part heading the following:

"Subpart 1—Preventive Health and Health Services Block Grant";

and

(3) by adding at the end thereof the following new subpart:

"Subpart 2—National Health Objectives Project Grants to States

"SEC. 1910D. OPERATION OF SUBPART.

"The Secretary, in accordance with subsection (c) of section 1901, shall use amounts appropriated under subsection (a) of such section for a fiscal year to carry out this subpart in such fiscal year.

"SEC. 1910E. DEFINITIONS AND ADMINISTRATION.

"(a) DEFINITIONS.—As used in this subpart:

"(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the National Health Objectives Advisory Committee established under section 1910K(a).

"(2) CORE PRIORITIES.—The term 'core priorities' means the three national health priorities that are designated by the Secretary as 'core national health priorities' and that must be included in the State health objectives provided in the State health objectives plan of each State.

"(3) NATIONAL HEALTH PRIORITIES.—The term 'national health priorities' means the priorities established under section 1910K(b).

"(4) STATE AGENCY.—The term 'State agency' means the department, agency, commission, or other entity designated and vested with authority under State law over matters concerning public health.

"(5) STATE PLAN.—The term 'State plan' means the health objectives plan of a State submitted under section 1910I.

"(6) STATE REPORT.—The term 'State report' means the annual report of a State required under section 1910J.

"(b) ADMINISTRATION.—The Secretary shall carry out this subpart through the Centers for Disease Control and Prevention.

"SEC. 1910F. ALLOTMENTS.

"(a) IN GENERAL.—Amounts available pursuant to section 1910D for each fiscal year shall be utilized to make allotments in accordance with subsections (b), (c), and (d).

"(b) FORMULA.— The amount of an allotment to a State under subsection (a) shall be equal to the amount of the allotment for such State under section 1902 for fiscal year 1992.

"(c) REMAINDER.—From the remainder of the amounts available pursuant to section 1910D, the Secretary shall allot in each fiscal year to each State an amount that equals—

"(1) $12,500, if the population of the State does not exceed 50,000;

"(2) $37,500, if the population of the State exceeds 50,000 but does not exceed 450,000;

"(3) $500,000, if the population of the State exceeds 450,000 but does not exceed 1,000,000;

"(4) $750,000, if the population of the State exceeds 1,000,000 but does not exceed 3,000,000;

"(5) $1,000,000, if the population of the State exceeds 3,000,000 but does not exceed 6,000,000;

"(6) $1,250,000, if the population of the State exceeds 6,000,000 but does not exceed 10,000,000;

"(7) $1,500,000, if the population of the State exceeds 10,000,000 but does not exceed 15,000,000; and

"(8) $2,000,000, if the population of the State exceeds 15,000,000.

"(d) RELATIVE POPULATION.—To the extent that all amounts available for allotment under subsection (a) for each fiscal year are not otherwise allotted to States under subsection (c), such excess shall be allotted to each State in an amount that bears the same ratio to such excess amount for such fiscal year as the total population of the States bears to the population of all States.

"(e) ADJUSTMENT.—If for any fiscal year the amount available under section 1910D is less than the total of all amounts listed under subsection (b), the amount allotted to each State shall be an amount that bears the same ratio to the total of all amounts available for allotment under such section as the amount of the allotment that the State is entitled to under subsection (b) bears to the total of all such amounts under such paragraph.

"(f) INDIANS.—

"(1) IN GENERAL.—If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization; and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart;

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for the fiscal year the amount determined under paragraph (2).

"(2) ELIGIBILITY.—For an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"(3) DEFINITIONS.—As used in this subsection, the terms 'Indian tribe' and 'tribal organization' shall have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"SEC. 1910G. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—

"(1) PLAN REQUIREMENT.—For each fiscal year, the Secretary shall make payments from amounts available under section 1910D for that fiscal year, as provided for in section 6503(a) of title 31, United States Code, to each State, if such State has submitted an approved State plan, from its allotment under section 1910F.

"(2) CARRYOVER FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(b) SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(1) IN GENERAL.—

"(A) AIDING GRANTEE IN CARRYING OUT DUTIES.—Upon the request of a grantee under subsection (a), the Secretary may, subject to subparagraph (B), provide supplies, equipment, and services for the purpose of aiding the grantee in carrying out such subsection and, for such purposes, may detail to the grantee any officer or employee of the Department of Health and Human Services.

"(B) LIMITATION.—With respect to a request described in subparagraph (A), the Secretary shall reduce the amount of the grant to the grantee involved by an amount equal to the costs of detailing personnel and fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

"(2) USE OF REDUCTION.—The amount by which any payment is reduced under paragraph (1) 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 the payment is based, and the amount shall be considered to be subpart of the payment and to have been paid to the State.

"SEC. 1910H. USE OF ALLOTMENTS.

"(a) STATE PLAN.—A State shall utilize amounts paid to it under section 1910G, from the allotment of such State under section 1910F, to develop and implement a State plan, in accordance with section 1910I, in order to—

"(1) develop and collect data to assess the public health needs and health status of the individuals, including minorities, that reside in the State;

"(2) provide assistance for planning necessary to assist projects and programs to be included in the State plan;

"(3) provide assistance to projects and programs described in the State plan; and

"(4) make appropriate State data and the State plan available to local health departments to facilitate improved local planning.

"(b) LIMITATIONS.—A State shall not use amounts paid to it under section 1910G, to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of health services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(c) ADMINISTRATION.—Not more than 10 percent of the total amount paid to a State under section 1910G from the State allotment under section 1910F for any fiscal year shall be used for administering the funds made available under section 1910G. The State shall pay from non-Federal sources any additional costs of administering such funds. For purposes of this subsection, the term 'administration' shall not be construed to include collection or assessment of data or assistance provided by States for the planning or implementation of projects and programs.

"SEC. 1910I. STATE HEALTH OBJECTIVES PLAN AND DESCRIPTION OF ACTIVITIES.

"(a) IN GENERAL.—To receive a payment under section 1910G from the State allotment for a fiscal year under section 1910F, a State shall prepare and submit, to the Secretary, a State health objectives plan at such time, in such manner, and containing such information as the Secretary shall require. Such State plan shall—

"(1) be developed by the State health agency in consultation with the State Health Ob-

jectives Advisory Committee established under subsection (b);

"(2) meet the requirements of subsection (c); and

"(3) contain assurances satisfactory to the Secretary that the State will meet the requirements of subsection (d).

"(b) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—Not later than 6 months after the enactment of this subpart, each State shall establish a State Health Objectives Advisory Committee, that shall be chaired by the State health officer, and shall consist of members of the public and health directors that represent local health departments.

"(2) REPRESENTATIVES.—States are encouraged to include entities receiving grants under this subpart, representatives of community-based organizations including minority community-based organizations, and a representative of an academic institution that trains public health professionals, as part of the State committee established under paragraph (1).

"(3) MEETINGS.—The State Health Objectives Advisory Committee shall meet not less than twice each year.

"(4) RESPONSIBILITIES.—The Advisory Committee established under paragraph (1) shall review and make recommendations to the State health agency concerning—

"(A) health assessment and policy development and assurance functions associated with the program established under this subpart; and

"(B) State plans, data collection efforts, the establishment of State health objectives, coordination of efforts funded under this subpart, coordination with other similar programs, public hearings, and the allocation of funds within the State annual report.

"(c) REQUIREMENTS.—A State plan submitted under subsection (a) shall—

"(1) be developed in consultation with the State Health Objectives Committee;

"(2) contain a specific set of not less than five State health objectives that shall be chosen from the national health priorities described by the Secretary under section 1910K, and that shall include all core priorities identified under such section;

"(3) contain an annual budget that describes the manner in which the payments made under section 1910G are to be used by the State, and such budget shall—

"(A) specify the portion of such funds that are to be used at each level of the State or local government, and the portion of such funds that are to be allocated for grants to local agencies of public health, community-based organizations, including minority community-based organizations, voluntary nonprofit health organizations, and other entities selected by the State help meet State objectives under paragraph (7); and

"(B) commit the State to use not less than 80 percent of such payments to meet State objectives that, as determined by the State agency after an analysis of the national health priorities, and based on the available State data described in paragraph (4), are critical to improving the health status of the individuals who reside within the State;

"(4) in terms of each State objective—

"(A) provide assurances satisfactory to the Secretary that there is a minimum set of data available to satisfactorily measure the health status of individuals including racial and ethnic minorities, who reside within the State;

"(B) utilize the data described in subparagraph (A) to identify the improvement that the State expects to make in the health status of individuals who reside within the State during the term of the State plan;

"(C) specify the particular strategies, projects and programs intended to be used by the State to improve the health status of individuals who reside within the State;

"(D) specify the methods intended to be used by the State to evaluate the progress made by the State in improving the health status of individuals who reside within the State; and

"(E) provide services targeted at improving the health status of individuals who reside within the State at the level of State or local government that the State determines are most likely to be effective in achieving the State objectives especially with respect to addressing inner city and rural disparities in health status indicators;

"(5) provide for the establishment of practices and procedures through which the State shall assist local health agencies in the development of community health plans and to monitor the progress of local health agencies, community-based organizations, including minority community-based organizations, and health organizations in implementing the State objectives;

"(6) identify public health personnel requirements that the State determines are reasonably necessary and appropriate to permit the State to achieve the State objectives;

"(7) identify the mechanism by which the State shall select, and allocate assistance provided under this subpart to local units of government, local agencies of public health, community-based health, including minority community-based organizations, voluntary nonprofit health organizations, and other entities within the State to help meet the State objectives;

"(8) contain a description (that may be revised throughout the year as may be necessary to reflect substantial changes in the projects and programs assisted by the State) of the intended use of the payments the State will receive under section 1910G for the fiscal year for which the State plan is submitted, including information concerning the projects and programs to be supported and services to be provided, which shall be made available to the public within the State in a manner that will facilitate comment from any individual during the period of the development of the description and after the transmittal of such; and

"(9) contain a plan for conducting health education and disease prevention programs for identifiable racial and ethnic communities.

"(d) ASSURANCES.—As part of the State plan required under subsection (a), a State shall provide assurances satisfactory to the Secretary that such State—

"(1) shall use the amounts allotted to it under section 1910F in accordance with the requirements of the State plan and of this subpart;

"(2) shall establish reasonable criteria for the evaluation of the effective performance of entities that receive assistance from the allotment to the State under this subpart;

"(3) shall identify those populations including racial and ethnic minorities, areas, and localities in the State that demonstrate a need for the services for which funds may be provided by the State under this subpart;

"(4) shall use amounts made available under section 1910G for any period to supplement and increase the level of State, local, and other Federal assistance that would, in the absence of amounts available under section 1910G, be made available for the programs and activities for which funds are provided for under this subpart, and shall not use funds made available under this subpart to supplant such State, local, and other Federal funds; and

"(5) shall require the State Health Objectives Advisory committee to consult with community-based minority organizations.

"SEC. 1910J. STATE HEALTH OBJECTIVES REPORT.

"(a) IN GENERAL.—Not later than 120 days after the end of each fiscal year for which assistance is provided under this subpart, each State, in cooperation with participating local units of government, shall prepare and submit, to the Secretary, an annual State health objectives report concerning the activities of the State under this subpart, that meets the requirements of this section.

"(b) REQUIREMENTS.—A State report submitted under subsection (a) shall be in such form and contain such information as the Secretary determines, after consultation with the heads of the State agencies and the Comptroller General, to be necessary—

"(1) to determine whether funds were expended by the State in accordance with this subpart and consistent with the needs within the State as proscribed in the State plan;

"(2) to secure a description of the projects and programs within the State operated or assisted with amounts provided under allotments made under this subpart; and

"(3) to secure a record of—

"(A) the purposes for which amounts provided under this subpart were expended;

"(B) the recipients of such funds; and

"(C) the progress made toward achieving the purposes for which such funds were provided.

"(c) UNIFORM DATA ITEM.—A State report submitted under subsection (a) shall include information concerning at least one uniform data item on each national health priority described in section 1910K(b) to be determined in consultation with the Secretary.

"(d) UNIFORM DATA SETS.—Each State shall report uniform data sets, as prescribed by the Secretary under section 1910K(f), for each national health priority addressed in the State plan that shall commence not later than 4 years after the date of enactment of this subpart.

"(e) ADDITIONAL CONTENTS.—The Secretary may require States to include additional information in the State report submitted under this section.

"(f) AVAILABILITY.—The State shall ensure that the State report is available for public inspection within the State, and the State Health Official shall provide copies at cost, on request, to any interested individual.

"SEC. 1910K. RESPONSIBILITIES OF THE SECRETARY.

"(a) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—Not later than 3 months after the enactment of this subpart, the Secretary, acting through the Assistant Secretary for Health, shall establish an advisory committee, to be known as the 'National Health Objectives Advisory Committee', to advise the Secretary concerning national health priorities.

"(2) COMPOSITION.—The Advisory Committee shall be composed of 12 members, of which—

"(A) one member shall be the Assistant for Secretary of Health, who shall serve as the chairperson of the Advisory Committee;

"(B) two members shall be appointed by the Secretary from the general public;

"(C) one member shall be appointed by the Administrator of the Environmental Protection Agency;

"(D) two members shall be appointed by the Association of State and Territorial Health Officials;

"(E) one member shall be appointed by the National Association of County Health Officials;

"(F) one member shall be appointed by the United States Conference of Local Health Officials;

"(G) one member shall be appointed by the Association of Schools of Public Health;

"(H) one member shall be appointed by the American Public Health Association.

(I) the Director of the Centers for Disease Control and Prevention; and

(J) the Director of the Office of Disease Prevention and Health Promotion.

"(3) MEETINGS AND DUTY.—The Advisory Committee shall meet not less than once each year for the purpose of providing advice to the Secretary concerning the selection, revision, implementation, and evaluation of the national health priorities, and the development and adoption of the uniform data set.

"(b) NATIONAL HEALTH PRIORITIES.—The Secretary, in consultation with the heads of other Federal agencies and the Advisory Committee, and taking into account the 'Year 2000 Health Objectives' developed by the United States Public Health Service, shall establish—

"(1) national health priorities that shall form the basis for all activities that receive assistance under this subpart;

"(2) from the priorities established under paragraph (1), a set of three core priorities that shall be included in each State plan; and

"(3) in cooperation with other appropriate national organizations, an estimate of the personnel and training that will be needed throughout the United States to accomplish the priorities established under paragraph (1).

"(c) REVIEW OF STATE PLANS.—The Secretary shall review each proposed State plan, and each proposed amendment thereto, submitted by a State under section 1910I, and approve each such plan or amendment, or each portion of such plan or amendment, that the Secretary determines complies with the requirements of this subpart.

"(d) STATE REPORT.—The Secretary shall receive and review each State report submitted by a State under section 1910J, and shall compile, evaluate, and prepare and submit, every 3 years, to the appropriate Committees of Congress and the President, an annual national health objectives report concerning the data and information contained in such State.

"(e) OTHER ASSISTANCE.—The Secretary shall provide consultation, guidance, and technical assistance to State, and through State to local units of government, and to other entities participating in the programs created under this subpart, to—

"(1) assist in the development of data sets as required under section 1910I, and uniform data items required under section 1910J; and

"(2) assist States with the development of local and State plans, or amendments to such plans, that the Secretary determines does not comply with the requirements of this subpart, in revising such plans or amendments to comply with the requirements of this subpart.

"(f) UNIFORM DATA SETS.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention and in consultation with State and local health officials and the National Health Objectives Advisory Committee, shall establish uniform data sets for each of the national health priorities described in subsection (b). Such data sets shall be consistent with those established under section 1906 and shall be adopted not later than 2 years after the date of the enactment of this subpart.

"(g) IMPLEMENTATION.—In implementing the provisions of sections 1910I, 1910J and this section, with respect to data sets and data items, the Secretary shall, to the extent practicable, rely on previously developed uniform data sets, systems and indicators.

"(h) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this subpart, and every 3 years thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the activities of the States that have received funds under this subpart. Such report shall include State compilations of the information contained in the reports prepared under section 1910J, and any recommendations for appropriate changes in legislation necessary to facilitate improvement in the health status of the United States and of selected subgroups within the United States, facilitate the implementation of the State plans described in section 1910I and to facilitate other changes determined appropriate by the Secretary under subpart 2.".

Subtitle C—Categorical Programs

SEC. 131. NATIONAL DEMONSTRATION PROJECTS FOR WOMEN'S HEALTH.

Section 317(k) (42 U.S.C. 247b(k)) is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

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

"(4)(A) The Secretary shall award grants to States, and in consultation with State health agencies, to political subdivisions of States, community based organizations, and other public and nonprofit private entities for—

"(i) the establishment of demonstration projects for the prevention of conditions or diseases that adversely affect women;

"(ii) the establishment of demonstration projects for the promotion of women's health; and

"(iii) the development and dissemination of information for health promotion and disease prevention related to issues of women's health.

"(B) The projects and activities carried out under this subsection shall have an emphasis on, but not be restricted to the prevention or control of osteoporosis, coronary heart disease, diabetes, obesity and tobacco use.

"(C) There are authorized to be appropriated to carry out this paragraph, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 132. INCREASED INJURY PREVENTION ACTIVITIES.

(a) INJURY CONTROL ACTIVITIES.—Section 392 (42 U.S.C. 280b-1) is amended by adding at the end thereof the following new subsections:

"(c) The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may establish a national information clearinghouse to facilitate the exchange and dissemination of information concerning the prevention and control of injuries in homes, schools, public buildings and other such locations not otherwise covered by the Occupational Safety and Health Act of 1970.

"(d) The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may award grants to, or enter into contracts with, State departments of health and education, and in consultation with State authorities, to local departments of health and education, for the purposes of helping public schools to implement effective programs to prevent injuries and behaviors associated with unnecessary risks for injuries. As a condition of awarding a grant under this subsection to a State or local department of education, the Secretary shall require that such department of education coordinate with the relevant department of health in utilizing amounts received under such grant.

"(e)(1) The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall award grants to States, and in consultation with State health agencies, to political subdivisions of States, community based organizations, and other public and nonprofit private entities for the establishment of 10 demonstration projects for the prevention and control of injuries in homes, schools, public buildings and other such locations not otherwise covered by the Occupational Safety and Health Act of 1970.

"(2)(A) Not more than 50 percent the amount appropriated under section 394 for fiscal year 1993 that exceeds $30,000,000, but in no event in excess of $2,000,000, shall be used to establish five demonstration projects under paragraph (1) in such fiscal year.

"(B) Not more than 50 percent of the amount appropriated under section 394 for fiscal year 1994 that exceeds the amount appropriated under such section for fiscal year 1993, but in no event in excess of $2,000,000, shall be used to establish the remaining five demonstration projects required under paragraph (1) in such fiscal year. Additional projects may be established under such paragraph if appropriations remain available.

"(3) The projects and activities carried out under this subsection shall place an emphasis on, but not be restricted to, childhood injuries, particularly injuries to children under five years of age, prevention of motor vehicle injuries, violence and falls.".

(b) REPORT AND RECOMMENDATIONS.—Section 393 (42 U.S.C. 280b-2) is amended—

(1) in the section heading to read as follows:

"REPORT AND RECOMMENDATIONS";

(2) by inserting "(a)" after the section designation; and

(3) by adding at the end thereof the following new subsection:

"(b) The Director of the Centers for Disease Control and Prevention shall biennially prepare and submit to the Secretary a report, together with recommendations and guidelines, concerning new technologies and practices based on established research findings of efficacy for injury prevention and control. The Secretary shall consider such recommendations and guidelines in determining whether to approve the purchase or lease of equipment, including vehicles, for use by the Department of Health and Human Services. The Secretary shall forward such recommendations and guidelines to the Congress, the Director of the General Services Administration, and any other agency head or State Governor that requests a copy of such recommendations and guidelines.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 394 (42 U.S.C. 280b-3) is amended—

(1) by striking out "$10,000,000" and all that follows and inserting "$40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.";

(2) by inserting "(a)" after the section designation; and

(3) by adding at the end thereof the following new subsection:

"(b) The Secretary shall only make grants under section 392(e) for a fiscal year if amounts appropriated under subsection (a) for such fiscal year are in excess of the amount appropriated under this section for fiscal year 1991.".

SEC. 133. ESTABLISHMENT OF AN OFFICE OF ADOLESCENT HEALTH.

Title III (42 U.S.C. 241 et seq.) is amended by adding at the end thereof the following new part:

"Part M—Adolescent Health

"SEC. 399F. OFFICE OF ADOLESCENT HEALTH.

"(a) ESTABLISHMENT.—The Secretary, acting through the Assistant Secretary for Health, shall establish an Office of Adolescent Health (hereafter referred to in this part as the 'Office') and provide administrative support and support services to the Director of such Office.

"(b) DIRECTOR.—The Office shall be headed by a Director (hereafter referred to in this part as the 'Director') who shall be appointed by the Assistant Secretary for Health.

"(c) PURPOSE AND DUTIES.—It shall be the purpose of the Office to ensure the sufficiency of the efforts of the Federal government to improve the health status of adolescents. The Office shall—

"(1) coordinate all activities within the Department that relate to the monitoring of trends in the health status of adolescents through data collection;

"(2) coordinate all activities (including research) within the Department concerning the design of, support for, and evaluation of, adolescent health services;

"(3) establish a national information clearinghouse to facilitate the exchange of information concerning all Federal research activities and initiatives as such relates to adolescent health and to facilitate access to such information;

"(4) oversee multidisciplinary disease, injury, and disability prevention research projects concerning conditions and diseases unique to, more prevalent in, or neglected in adolescents;

"(5) coordinate the training of health providers who work with adolescents, particularly nurse practitioners, physician assistants, social workers;

"(6) establish within the Office an advisory committee under section 399H to be known as the National Advisory Committee on Adolescent Health;

"(7) provide advice to Congress concerning adolescent health issues; and

"(8) in collaboration with the National Adolescent Health Advisory Commission, develop a national strategic plan to access adolescent health issues.

"SEC. 399G. ADOLESCENT HEALTH INITIATIVES.

"(a) GRANTS.—The Secretary, acting through the Office of Adolescent Health, shall award grants to, or enter into contract with, State health agencies and other eligible applicants to assist such applicant in funding activities authorized under an application approved under section (d).

"(b) USE OF AMOUNTS.—Amounts provided under a grant or contract under subsection (a) shall be used by the recipients of such amounts to fund multidisciplinary projects based on established research findings of efficacy that are designed to—

"(1) use new and innovative methods to train health care practitioners to provide services to adolescents; and

"(2) demonstrate and evaluate innovative multidisciplinary methods and models designed to prevent adolescent violence.

"(c) ELIGIBLE APPLICANTS.—To be eligible to receive a grant or contract under this section an entity shall be a State or local health department, nonprofit organization and public or nonprofit college, university or school of, or program that specializes in, adolescent medicine, nursing, medicine, osteopathy, social work, psychology, public health, and programs that train physician assistants and shall prepare and submit to the Secretary for approval an application under subsection (d). Eligible entities shall not include for-profit entities, either directly or through a subcontract or subgrant.

"(d) APPLICATIONS.—

"(1) SUBMISSION.—To be eligible to receive a grant or contract under subsection (a) an entity shall prepare and submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require.

"(2) REQUIREMENTS.—Applications submitted under this subsection shall—

"(A) be submitted by a coalition or consortium of at least three eligible applicants with the express purpose of establishing long-term collaborative relationships with adolescent health care providers; and

"(B) provide any additional information required by the Secretary.

"(e) PEER REVIEW.—

"(1) IN GENERAL.—Each application for a grant or contract under this section shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application.

"(2) ESTABLISHMENT.—The Secretary shall establish such peer review groups as may be necessary to carry out paragraph (1). The Secretary shall make appointments to the peer review groups from among appropriately qualified persons who are not officers or employees of the United States.

"(3) REPORT OF FINDINGS.—With respect to applications referred to in paragraph (1), a peer review group established pursuant to such paragraph shall report its finding and recommendations to the Secretary. The Secretary may not approve such an application unless a peer review group has recommended the application for approval, and awards should be made in the order of priority from the peer review process.

"(4) ADMINISTRATION.—This paragraph shall be carried out by the Secretary.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.

"SEC. 399H. NATIONAL ADOLESCENT HEALTH ADVISORY COMMISSION.

"(a) COMPOSITION.—The Advisory Commission (hereafter referred to in this section as the 'Commission') established under section 399F(c)(6) shall be composed of—

"(1) the Assistant Secretary of Health;

"(2) the Assistant Secretary of Education for Elementary and Secondary Schools;

"(3) a representative of the Health Resources and Services Administration to be appointed by the Secretary;

"(4) a representative of the Centers for Disease Control and Prevention to be appointed by the Secretary;

"(5) a representative of the National Institute of Health to be appointed by the Secretary;

"(6) five individuals appointed by the Secretary from among physicians, practitioners, scientists, and other health professionals whose clinical practice and research specialization focus on adolescent health; and

"(7) a parent of an adolescent to be appointed by the Secretary.

"(b) APPOINTMENTS.—Not later than April 1, 1992, the Secretary shall appoint the members of the Commission in accordance with subsection (a).

"(c) MEETINGS.—The Commission shall meet not less than twice annually to provide advice and make recommendations to the Secretary and to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, with respect to—

"(1) priority research needs;

"(2) appropriate research activities to be supported by the Office;

"(3) deficiencies and needs for improvements in existing data bases concerning adolescent health status and steps that should be taken to eliminate such deficiencies; and

"(4) identify problems in adolescent health and make recommendations for the resolution of such problems.

"(d) REPORTS.—

"(1) INTERIM REPORTS.—Not later than 1 year and 3 years after the date on which the initial meeting of the Commission is held, the Commission shall prepare and submit to the individual and entities described in subsection (c) a progress report concerning the activities of the Commission.

"(2) FINAL REPORT.—Not later than April 1, 1996, the Commission shall prepare and submit to the individuals and entities described in subsection (c) a final report concerning its activities.

"(e) STAFF SUPPORT FOR THE ADVISORY COMMISSION.—The Director of the Centers for Disease Control and Prevention, acting through the Division of Adolescent and School Health, shall provide the staff support for the Commission.".

SEC. 134. IMPROVEMENT IN LEAD POISONING SCREENING AND PREVENTION.

(a) AUTHORITY FOR GRANTS.—

(1) IN GENERAL.—Section 317A(a) (42 U.S.C. 247b–1(a)) is amended to read as follows:

"(a) AUTHORITY FOR GRANTS.—

"(1) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may make grants to public and nonprofit private entities (including States and political subdivisions of States) for the initiation and expansion of community programs designed—

"(A) to provide, for infants and children—

"(i) screening for elevated blood-lead levels;

"(ii) referral for treatment of such levels; and

"(iii) referral for environmental intervention associated with such levels; and

"(B) to provide education about childhood lead poisoning.

"(2) PROVISION OF ALL SERVICES AND ACTIVITIES THROUGH EACH GRANTEE.—In making grants under paragraph (1), the Secretary shall ensure that each of the services and activities described in such paragraph is provided through each grantee under such paragraph. The Secretary may authorize such a grantee to provide the services and activities directly, or through arrangements with other providers."; and

(2) CONFORMING AMENDMENTS.—Section 317A (42 U.S.C. 247b–1) is amended—

(A) by redesignating subsections (b) through (j) as subsections (d) through (l), respectively;

(B) in subsection (h) (as so redesignated)—

(i) in paragraph (1), by striking the comma after "recipient" and inserting a semicolon; and

(ii) in paragraph (2), by striking the comma at the end and inserting a semicolon; and

(C) by inserting before subsection (d) (as so redesignated) the following:

"(c) PRIORITY IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give priority to applications for programs that will serve areas with a high incidence of elevated blood-lead levels in infants and children.".

(b) ESTABLISHMENT OF REQUIREMENT REGARDING STATUS AS MEDICAID PROVIDER.—Section 317A, as amended by subsection (a)(2)(A), is further amended by inserting after subsection (a) the following new subsection:

"(b) STATUS AS MEDICAID PROVIDER.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may not make a grant under subsection (a) unless, in the case of any service described in such subsection that is made available pursuant to the State plan approved under title XIX of the Social Security Act for the State involved—

"(A) the applicant for the grant will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

"(B) the applicant will enter into an agreement with a provider under which the provider will provide the service, and the provider has entered into such a participation agreement and is qualified to receive such payments.

"(2) WAIVER REGARDING CERTAIN SECONDARY AGREEMENTS.—

"(A) In the case of a provider making an agreement pursuant to paragraph (1)(B) regarding the provision of services, the requirement established in such paragraph regarding a participation agreement shall be waived by the Secretary if the provider does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

"(B) A determination by the Secretary of whether a provider referred to in subparagraph (A) meets the criteria for a waiver under such subparagraph shall be made without regard to whether the provider accepts voluntary donations regarding the provision of services to the public.".

(c) GRANT APPLICATION.—

(1) COORDINATION.—Section 317A, as amended by subsection (a)(2)(A), is further amended—

(A) by striking out subsection (f); and

(B) in subsection (d)(1)—

(i) by inserting ", including the sources of lead exposure, the immediate risk of lead-based paints, other sources of lead including drinking water and soil, the potential dangers of lead exposure during home renovations, the importance of screening young children for lead, and the preventive steps that parents can take in reducing the risk for lead poisoning," after "infants and children" in subparagraph (B);

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting after subparagraph (D) the following new subparagraph:

"(E) Assurances satisfactory to the Secretary that the program to be provided under the grant applied for will include educational programs designed to communicate to health professionals and paraprofessionals updated knowledge concerning lead poisoning and research, the health consequences, if any, of low-level lead burden, the prevalence of lead poisoning among all socioeconomic groupings, the benefits of expanded lead screening, and the therapeutic and other interventions available to prevent and combat lead poisoning in affected children and families.".

(2) REPORT.—Section 317A(d)(2), as redesignated by subsection (a)(2)(A), is amended to read as follows:

"(2) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary shall submit to Congress a report on the effectiveness during the preceding fiscal year of programs carried out with grants under subsection (a) and of any programs that are carried out by the Secretary pursuant to subsection (l)(2). Such reports shall include in addition to any other information that the Secretary shall require a description of the number of individuals screened, age distribution of individuals screened, minority representation of the screened population, number of screening sites, percentage of children screened with blood levels greater than 10 micrograms per deciliter, and prior years information for these categories where available. Recipients of grants under this section that are required to report equivalent information to the Secretary under other sections of this Act shall be exempt from the requirements of this subsection.".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—Section 317A(d)(1), as redesignated by subsection (a)(2)(A) and amended by subsection (c)(1)(B)(i), is further amended—

(A) by striking out "(d) GRANT" and all that follows through "No grant" and inserting the following:

"(d) GRANT APPLICATION.—

"(1) IN GENERAL.—No grant";

(B) by moving each of subparagraphs (A) through (F) 2 ems to the right; and

(C) in subparagraph (C), by striking out "effectiveness" and all that follows and inserting in lieu thereof "effectiveness.".

(d) ESTABLISHMENT OF PROVISION REGARDING RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.—Section 317A, as amended by subsection (c)(1)(A), is further amended by inserting after subsection (e) the following new subsection:

"(f) RELATIONSHIP TO SERVICES AND ACTIVITIES UNDER OTHER PROGRAMS.—

"(1) IN GENERAL.—A recipient of a grant under subsection (a) may not make payments from the grant for any service or activity to the extent that payment has been made, or can reasonably be expected to be made, with respect to such service or activity—

"(A) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

"(B) by an entity that provides health services on a prepaid basis.

"(2) APPLICABILITY TO CERTAIN SECONDARY AGREEMENTS FOR PROVISION OF SERVICES.—Paragraph (1) shall not apply in the case of a provider through which a grantee under subsection (a) provides services under such subsection if the Secretary has provided a waiver under subsection (b)(2) regarding the provider.".

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Section 317A(l), as redesignated by subsection (a)(2)(A), is further amended—

(A) by striking out "There are" and all that follows through "not more than" and inserting in lieu thereof the following: "For the purpose of carrying out this section, there are authorized to be appropriated";

(B) by striking "and" after "1990,"; and

(C) by inserting before the period the following: ", $40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996. Of the amounts appropriated under this subsection for each fiscal year, the Secretary shall use not to exceed 10 percent of such amounts in each such fiscal year to carry out sections 317B, 317C, and 317D".

(2) ESTABLISHMENT OF SET-ASIDE.—Section 317A(l), as amended by paragraph (1), is further amended—

(A) by striking out "(1) AUTHORIZATION" and all that follows through "purpose" and inserting in lieu thereof the following:

"(1) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose"; and

(B) by adding at the end the following new paragraph:

"(2) SET-ASIDE FOR OTHER PROGRAMS.—Of the amounts appropriated under paragraph (1) for any fiscal year, the Secretary may reserve not more than 20 percent for carrying out programs regarding the services and activities described in subsection (a) in addition to the program of grants established in such subsection.".

(f) NATIONAL EDUCATION PROGRAM.—Title III is amended by inserting after section 317A (42 U.S.C. 247b-1) the following new section:

"SEC. 317B. NATIONAL LEAD POISONING PREVENTION EDUCATION PROGRAM.

"The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall establish and implement a national program designed to educate health professionals and paraprofessionals and the general public concerning lead poisoning. As part of such educational program the Secretary shall ensure that such individuals have access to information concerning the health effects of low-level lead toxicity, the most serious causes of lead poisoning, and the primary and secondary preventive measures that may be taken to combat the problem of lead poisoning.".

(g) RESEARCH AND DEVELOPMENT.—Title III (as amended by subsection (f)) is further amended by inserting after section 317B the following new section:

"SEC. 317C. NATIONAL LEAD POISONING TECHNOLOGY ASSESSMENT AND EPIDEMIOLOGY PROGRAM.

"The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall establish and implement a concerted technology assessment and epidemiology program to—

"(1) develop improved testing measures that may be administered to children to detect lead toxicity using methods that are sufficiently reliable, sensitive, applicable and cost-effective;

"(2) more accurately assess the prevalence of lead poisoning by State, socioeconomic grouping, and health care insurance status; and

"(3) conduct any applied research necessary to improve the effectiveness of childhood lead poisoning prevention programs.".

(h) TASK FORCE TO COORDINATE EFFORTS TO PREVENT LEAD POISONING.—Title III (as amended by subsections (f) and (g) is further amended by inserting after section 317C the following new section:

"SEC. 317D. INTERAGENCY TASK FORCE ON THE PREVENTION OF LEAD POISONING.

"(a) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish a task force, to be known as the 'Interagency Task Force on the Prevention of Lead Poisoning',

to coordinate the efforts of Federal agencies to prevent lead poisoning.

"(b) COMPOSITION.—The task force established under subsection (a) shall be composed of—

"(1) the Secretary, who shall serve as the chairperson of the task force;

"(2) the Secretary of Housing and Urban Development;

"(3) the Administrator of the Environmental Protection Agency; and

"(4) senior staff selected by the Secretary of Health and Human Services, Secretary of Housing and Urban Development, and Administrator of the Environmental Protection Agency.

"(c) DUTIES.—The task force established under subsection (a) shall—

"(1) review, evaluate and coordinate current strategies and plans formulated by the Department of Health and Human Services (including the *Strategic Plan for the Elimination of Lead Poisoning* of February 21, 1991), the Department of Housing and Urban Development (including the *Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Housing* of December 7, 1990) and the Environmental Protection Agency (including the *Strategy for Reducing Lead Exposures* of February 21, 1991) and develop a unified implementation plan for programs related to the prevention of lead poisoning that receive assistance from the Federal Government;

"(2) establish a mechanism for sharing and disseminating information among and to agencies participating in the task force;

"(3) identify the most promising areas of research and education concerning lead poisoning;

"(4) identify the practical and technological constraints to expanding lead poisoning prevention;

"(5) annually carry out a comprehensive review of Federal programs providing assistance to prevent lead poisoning, and prepare and submit not later than May 1 of each year to the Committee on Labor and Human Resources and the Committee on the Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report that summarizes the review conducted under this paragraph and contains any program, policy and budgetary recommendations of the task force; and

"(6) annually review and coordinate departmental and agency budgetary requests with respect to all lead poisoning prevention activities of the Federal Government.".

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 1991, or upon the date of the enactment of this Act, whichever occurs later.

SEC. 135. PREVENTION AND CONTROL OF SEXUALLY TRANSMITTED DISEASES.

Section 318 (42 U.S.C. 247c) is amended—

(1) in subsection (b), by inserting after "may make grants to States," the following: "and with notification of the State health authority, to";

(2) in the first sentence of subsection (d)(1), by striking out "$45,000,000" and all that follows through the period and inserting in lieu thereof "$120,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996"; and

(3) by adding at the end thereof the following new subsection:

"(e) Recipients of grants under subsection (a) shall annually prepare and submit to the Secretary a report concerning the services provided using such grant funds. Such reports shall include information determined appropriate by the Secretary.".

SEC. 136. SCREENING AND EARLY DETECTION OF PROSTATE CANCER.

Title III is amended by inserting after Section 318 (42 U.S.C. 247c) the following new section:

"SEC. 318A. PROSTATE CANCER SCREENING AND EARLY DETECTION.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may make grants to States, academic medical centers, or other public or nonprofit private entities—

"(1) to determine the prevalence, incidence and mortality rates and stage at diagnosis of prostate cancer, nationally, within regions and within subgroups of the population; and

"(2) to determine the state of current practices for the screening and diagnosis of prostate cancer and the effectiveness of such practices in reducing mortality.

Such grants shall be awarded on the basis of an established competitive review process.

"(b) COORDINATION WITH THE NATIONAL INSTITUTES OF HEALTH.—The Director of the Centers of Disease Control and Prevention shall coordinate with the Director of the National Institutes of Health to—

"(1) evaluate existing methods for the screening and diagnosis of prostate cancer in order to develop more sensitive and specific, less expensive screening and diagnostic methods;

"(2) evaluate and improve reporting of surveillance data relative to prostate cancer;

"(3) disseminate information concerning such methods to health professionals; and

"(4) collaborate to expedite the review of research and development of technologies that insure early detection of prostate cancer.

"(c) APPLICATION REQUIREMENTS.—The Secretary may not make a grant under subsection (a) unless an application for such grant is submitted to the Secretary. Such application shall be in such form, submitted at such time, and contain such information as the Secretary determines to be appropriate to carry out this section, including a description of the activities, as described in subsection (a), that the applicant intends to use the amounts received under such grant to carry out.

"(d) DESCRIPTION OF INTENDED USE OF GRANTS.—The Secretary may not make a grant under subsection (a) unless the applicant for such grant submits to the Secretary a description of the purposes for which the applicant intends to expend the amounts received under the grant that—

"(1) identifies the populations, areas and locations to be assessed under the grant; and

"(2) provides assurances that the grant funds will be used in the most cost-effective manner practicable.

"(e) TECHNICAL ASSISTANCE.—The Secretary may provide training and technical assistance with respect to the planning, development and operation of activities carried out under grants awarded under this section.

"(f) REPORTS.—Not later than 18 months after the awarding of grants under this section, and annually thereafter, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce in the House of Representatives, a report that contains—

"(1) a summary of the findings derived from the activities carried out under grants awarded under this section during the preceding fiscal year; and

"(2) recommendations for administrative and legislative initiatives to improve the public health based upon the findings described in paragraph (1) that the Secretary determines to be appropriate.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.

SEC. 137. SPECIAL REGIONAL AND NATIONAL DEMONSTRATION PROJECTS FOR MINORITY HEALTH PROMOTION AND DISEASE PREVENTION.

Title XVII (42 U.S.C. 300u) is amended by adding at the end thereof the following new section:

"SEC. 1707. SPECIAL REGIONAL AND NATIONAL DEMONSTRATION PROJECTS FOR MINORITY HEALTH PROMOTION AND DISEASE PREVENTION.

"(a) GRANTS.—The Secretary, acting through the Assistant Secretary of Health, shall award grants to States, political subdivisions of States, public or nonprofit community-based organizations, and other public and nonprofit private entities for the establishment of demonstration projects for the prevention of diseases that disproportionately affect minorities.

"(b) PRIORITY.—In awarding grants for projects under subsection (a), the Secretary shall give priority to projects that are designed to address the leading causes of death, disease and disability in minority populations, including cancer, cardiovascular disease, diabetes, violence, homicide, and tobacco use.

"(c) APPLICATION.—To be eligible to receive a grant under this section, an entity of the type described in subsection (a) shall prepare and submit to the Secretary an application, at such time, in such form, and containing such information as the Secretary determines appropriate.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.".

TITLE II—COORDINATION OF HEALTH PROMOTION AND DISEASE PREVENTION ACTIVITIES

SEC. 201. SHORT TITLE.

This title may be cited as the "Health Promotion and Disease Prevention Coordination Act of 1991".

SEC. 202. HEALTH INFORMATION AND HEALTH PROMOTION.

(a) OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION.—Paragraph (11) of section 1701(a) (42 U.S.C. 300u(a)(11)) is amended to read as follows:

"(11) establish in the Office of the Assistant Secretary for Health an Office of Disease Prevention and Health Promotion, to be headed by a director appointed by the Secretary, that shall—

"(A) ensure interagency and interdepartmental coordination of all activities related to health promotion and disease prevention, specifically including nutrition, physical fitness, children and school health, worksite health promotion, health promotion for special populations at risk for preventable disease and disability, and other matters that involve various agencies of the Department or collaboration with other Federal departments and agencies;

"(B) coordinate Federal activities of the type described in subparagraph (A) with similar activities conducted by the private sector and encourage the establishment of additional activities of this type in the private sector;

"(C) establish a national information clearinghouse to—

"(i) facilitate the exchange of information concerning matters relating to health information and health promotion, preventive health services, and education in the appropriate use of health care;

"(ii) facilitate the access of health care providers, other providers of health information, and health care consumers to such information; and

"(iii) facilitate and assist entities in the access of such information and the analysis of issues and problems relating to such matters;

"(D) support projects, conduct research, and disseminate information relating to health promotion, disease prevention, preventive medicine and physical fitness and exercise; and

"(E) coordinate, in collaboration with agencies within the Department and other Federal Departments and agencies, a national effort to promote health and prevent disease through the enhancement of health related behavior, improve access to preventive health services, and health information, communication and education with respect to the appropriate use of health care."

(b) AUTHORIZATION OF APPROPRIATIONS.—Subsection (b) of section 1701 (42 U.S.C. 300u(b)) is amended to read as follows—

"(b) There are authorized to be appropriated—

"(1) to carry out sections 1701 through 1703, and section 1705, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996;

"(2) to carry out section 1704, $4,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1996.".

(c) TARGET POPULATIONS.—Section 1701 (42 U.S.C. 300u) is amended by adding at the end thereof the following new subsection:

"(d) With respect to activities carried out with amounts appropriated under this title, particular emphasis shall be placed on the target populations under each grant, contract or other activity under this title to ensure that appropriate priority is provided to populations and groups with documented historically poor health.".

SEC. 203. INTERDEPARTMENTAL COORDINATING COUNCIL.

Section 1701 (42 U.S.C. 300u) (as amended by section 202(c)) is further amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary, in consultation with the Secretary of Education, shall establish an interdepartmental group for coordinating activities and fostering cooperation with respect to programs concerning multi- dimensional school health programs, including school health education. Multidimensional school health programs may include—

"(A) school health education;

"(B) school-linked or school based health services designed to prevent, detect and address health problems;

"(C) programs to create a healthy and safe school environment;

"(D) physical education;

"(E) healthful school food services;

"(F) psychological assessment and counseling to promote child development and emotional health;

"(G) schoolsite health promotion for faculty and staff; and

"(H) integrated school and community disease prevention and health promotion efforts.

"(2) The group established under paragraph (1) shall foster cooperation in linking national health objectives established by the Secretary with national education goals established by the Secretary of Education, and promote the establishment of multi- dimensional school health programs, particularly comprehensive school education, to improve the health of American youth.

"(3) The Secretary and the Secretary of Education, through the Assistant Secretary for Elementary and Secondary Education, shall serve as co-chairpersons of the group established under paragraph (1). The Secretary shall appoint individuals to serve as a members of the group from among representatives of appropriate components of the Department of Health and Human Services and the Department of Education. The co-chairpersons may solicit appropriate representation from other Federal departments and agencies. The Public Health Services shall provide staff support for convening the group established under paragraph (1).".

SEC. 204. DISSEMINATION OF HEALTH INFORMATION.

(a) RESEARCH.—Section 1702(a) (42 U.S.C. 300u–1(a)) is amended—

(1) in the matter preceding paragraph (1), by striking out "health information and";

(2) striking out paragraph (2);

(3) redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively; and

(4) in paragraph (5) (as so redesignated), by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (4)".

(b) INFORMATION.—Section 1704 (42 U.S.C. 300u–3) is amended by adding at the end thereof the following new paragraph:

"(6) A determination of the most effective methods of disseminating information concerning personal health behavior, preventive health services and the appropriate use of health care and of affecting behavior so that such information is applied to maintain and improve health, and prevent disease, reduce risk, or modify its course or severity.".

SEC. 205. REPORT ON NATIONAL HEALTH STATUS IMPROVEMENT.

Subsection (a) of section 1705 (42 U.S.C. 300u–4(a)) is amended to read as follows:

"(a) The Secretary shall annually prepare and submit to the President, for subsequent transmittal to the appropriate committees of Congress, a report concerning the status of the nation's health. Each such report shall include—

"(1) a description of the activities carried out under this title for the period for which the report is being submitted and the extent to which each such activity achieves the purpose of the title;

"(2) a description of the goals and strategy formulated pursuant to section 1701(a)(1), the model standards developed under this title, and the results of the study conducted under subsection (b) of this section;

"(3) an analysis of the manner in which the health status of the nation has changed since during the period for which the report is submitted, including information concerning the nation's health status according to the national health status indicators developed under section 5 of the Year 2000 National Health Objectives Planning Act (Public Law 101–582); and

"(4) such recommendations as the Secretary considers appropriate for legislation with respect to health promotion, disease prevention, health information, preventive health services, and education in the appropriate use of health care, including recommendations for revisions and extensions of this title.".

SEC. 206. HEALTH EDUCATION CURRICULUM.

Section 1707(b)(6) (42 U.S.C. 300u–6(b)(6)) is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by adding "and" after the semicolon in subparagraph (E);

(3) by adding at the end thereof the following new subparagraph:

"(F) the development of model curricula and programs for health information and education for use in community and workplace settings.".

SEC. 207. STATE OFFICES OF MINORITY HEALTH.

Title XVII (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1708. GRANTS TO STATES FOR OPERATION OF OFFICES OF MINORITY HEALTH.

"(a) IN GENERAL.—The Secretary, acting through the Deputy Assistant Secretary for Minority health (as established under section 1707), may make grants to States for the purpose of improving the health status in minority communities, through the operation of State offices of minority health established to monitor and facilitate the achievement of the Health Objectives for the Year 2000 as they affect minority populations.

"(b) CERTAIN REQUIREMENT FOR STATES.—

"(1) MINIMUM QUALIFICATIONS.—The Secretary may not make a grant to a State under subsection (a) unless such State receives, under any provision of this Act other than subsection (a), one or more grants, cooperative agreements, or contracts for the fiscal year for which the State is applying pursuant to subsection (g) to receive a grant under subsection (a).

"(2) ADMINISTRATION OF PROGRAM.—The Secretary may not make a grant to a State under subsection (a) unless such State agrees that the program carried out by the State with amounts received under the grant will be administered directly by a single State agency.

"(c) CERTAIN REQUIRED ACTIVITIES.—The Secretary may not make a grant to a State under subsection (a) unless such State agrees that activities carried out by an office operated under the grant received pursuant to such subsection will—

"(1) establish and maintain within the State a clearinghouse for collecting and disseminating information on—

"(A) minority health care issues;

"(B) research findings relating to minority health care; and

"(C) innovative approaches to the delivery of health care and social services in minority communities;

"(2) coordinate the activities carried out in the State that relate to minority health care, including providing coordination for the purpose of avoiding redundancy in such activities; and

"(3) identify Federal and State programs regarding minority health, and providing technical assistance to public and non-profit entities regarding participation in such program.

"(d) REQUIREMENT REGARDING ANNUAL BUDGET FOR OFFICE.—The Secretary may not make a grant to a State under subsection (a) unless such State agrees that, for any fiscal year for which the State receives such a grant, the office operated under such grant 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 to a State under subsection (a) unless such State agrees that—

"(A) if research with respect to minority health is conducted pursuant to the grant, not more than 10 percent of the amount received under the grant will be expended for such research; and

"(B) amounts provided under 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 non-financial assistance under subsection (m) of section 340A;

"(II) under a memorandum of agreement entered into with the State under subsection (h) of such section;

"(III) under a grant under section 388I;

"(iii) to purchase medical equipment, to purchase ambulances, aircraft, or other vehicles, or to purchase major communications equipment;

"(iv) to purchase or improve real property; or

"(v) to carry out any activity regarding a certificate of need.

"(2) AUTHORITIES.—Activities for which a State may expend amounts received under a grant under subsection (a) include—

"(A) paying the costs of establishing an office of minority 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 minority communities in the State; and

"(C) providing grants and contracts to public and non-profit private entities to carry out activities authorized in this section.

"(f) REPORTS.—The Secretary may not make a grant to a State under subsection (a) unless such State 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 to a State under subsection (a) unless an application for the grant is submitted to the Secretary and the application 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 making grants under subsection (a) there are authorized to be appropriated $3,000,000 for fiscal year 1992, $4,000,000 for fiscal year 1993, $3,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(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 III—CENTERS FOR DISEASE CONTROL AND PREVENTION FOUNDATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Centers for Disease Control and Prevention Foundation Act of 1991".

SEC. 302. ESTABLISHMENT OF THE CENTERS FOR DISEASE CONTROL AND PREVENTION FOUNDATION.

Title III (42 U.S.C. 280 et seq.) (as amended by section 133) is further amended by adding at the end thereof the following new part:

"PART N—CENTERS FOR DISEASE CONTROL AND PREVENTION FOUNDATION

"SEC. 399L. ESTABLISHMENT AND DUTIES OF THE FOUNDATION.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall establish a nonprofit corporation to be known as the Centers for Disease Control and Prevention Foundation (hereafter in this part referred to as the 'Foundation'). The Foundation shall not be an agency or instrumentality of the United States Government.

"(b) PURPOSE, ENDOWMENT FUND, AND ADDITIONAL ACTIVITIES.—The primary purpose of the Foundation shall be to support efforts designed to prevent disease, injury, and disability, and to promote health. In carrying out this purpose, the Foundation shall comply with the requirements of subsection (c).

"(c) REQUIREMENTS.—

"(1) ENDOWMENT FUND.—

"(A) ESTABLISHMENT.—The Foundation shall establish a fund whose primary purpose shall be to provide endowments for positions at the Centers for Disease Control and Prevention that are dedicated to the prevention of disease, injury, and disability, and to the promotion of health. Such positions may be held by individuals without regard to whether such individuals are employees of the Federal Government. Any individual occupying such endowed positions shall be engaged in activities that promote the exchange of information between the Centers for Disease Control and Prevention and international, national, State, or local public health professionals and others in the public and private sectors.

"(B) RECRUITMENT EFFORTS.—In addition to the activities described in subparagraph (A), the fund established under such subparagraph may be expended to recruit qualified individuals to hold the positions endowed by the fund.

"(C) ADDITIONAL ACTIVITIES.—The fund established under subparagraph (A) may also be utilized to provide support for the staffing, equipment, travel, and quarters for the professional activities conducted by individuals holding endowed positions under such subparagraph.

"(2) ADDITIONAL ACTIVITIES.—The Foundation may provide support for or conduct additional activities that may include—

"(A) the development of a fellowship program that will permit State and local public health officials to work and learn or undergo training at the Centers for Disease Control and Prevention for a specified period of time and return to their normal place of employment with enhanced knowledge and expertise to share with others;

"(B) the development of an exchange program for public health officials of other countries and employees of the Centers for Disease Control and Prevention to build support for and expertise in international health activities and to help strengthen public health systems in other countries;

"(C) the support of epidemiologic studies, demonstration projects, and applied research in prevention or prevention effectiveness at the Centers for Disease Control and Prevention or elsewhere;

"(D) the provision of a forum for strategy development in addressing priority health problems in the United States and internationally, that shall involve the public and private sectors, including universities and international organizations;

"(E) the support of international, national, State, and local programs and projects for the prevention of disease, injury, and disability prevention and in health promotion;

"(F) fostering improvement in health status assessments;

"(G) the sponsoring of meetings, conferences, courses, and training workshops on disease and injury prevention and health promotion; and

"(H) the facilitation of information exchanges through the writing, editing, printing, and publishing of books and other materials.

"(3) APPLICABILITY OF CERTAIN STANDARDS REGARDING NON-FEDERAL EMPLOYEES.—In the case of individuals holding endowed positions under subsection (c)(1)(A) who are not employees of the Federal Government, the Foundation shall negotiate a memorandum of understanding with the Director of the Centers for Disease Control and Prevention that specifies that any such individual shall observe the ethical and procedural standards regulating Federal employment, scientific investigation, and research findings (including publications and patents) that are required of individuals employed by the Centers for Disease Control and Prevention, including standards under this Act, the Ethics in Government Act, and the Technology Transfer Act.

"(4) AUDITS.—The Foundation shall provide for biennial audits of the financial condition of the Foundation.

"(d) COMMITTEE ON INCORPORATION.—

"(1) IN GENERAL.—The Director of the Centers for Disease Control and Prevention shall establish a Committee on Incorporation (hereafter in this part referred to as the 'Committee') for the Foundation.

"(2) COMPOSITION.—

"(A) APPOINTMENTS.—The Committee shall be composed of seven members, of which—

"(i) six shall be appointed by the Director of the Centers for Disease Control and Prevention; and

"(ii) one shall be the Director of the Centers for Disease Control and Prevention;

all of which shall be voting members.

"(B) REPRESENTATION.—Of the members appointed under subparagraph (A)(I), not less than two of such members shall be representatives of the general field of public health, and not less than two such members shall have broad, general experience in nonprofit organizations or philanthropies.

"(C) CONSULTATION.—Prior to making appointments to the Committee under subparagraph (A), the Director of the Centers for Disease Control and Prevention shall consult with the Chairman and ranking minority member of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce of the House of Representatives and the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, regarding such appointments.

"(3) CHAIRPERSON.—The membership of the Committee shall elect the Chairperson of the Committee from among their appointed members.

"(4) COMMITTEE DURATION AND VACANCIES.—

"(A) DURATION.—The Committee shall serve for a period not to exceed 24 months. Once the Committee has completed the functions required in paragraph (5), the Committee shall be terminated.

"(B) VACANCIES.—A vacancy in the membership of the Committee shall be filled by the Director of the Centers for Disease Control and Prevention in that same manner in which the original member was appointed for the position that is vacant. Any vacancy in the Committee membership shall not affect the power of the remaining members to execute the duties of the Committee.

"(5) FUNCTIONS OF THE COMMITTEE.—

"(A) INCORPORATION.—

"(i) IN GENERAL.—The members of the Committee shall serve as incorporators and shall take whatever actions are necessary to incorporate the Foundation.

"(ii) INTERNAL REVENUE CODE.—The Foundation shall be considered to be a corporation under section 501(c) of the Internal Revenue Code of 1986, and shall be subject to the provisions of such section.

"(B) BYLAWS.—The Committee shall develop an initial set of bylaws for the Foundation that shall be consistent with law, and at a minimum, provide for the manner in which—

"(i) the officers, employees, and agents of the Foundation are selected;

"(ii) property is acquired, held, and transferred by the Foundation;

"(iii) the general operations of the Foundation are to be conducted; and

"(iv) the privileges granted to the Foundation by law are to be exercised and enjoyed.

"(C) BOARD OF DIRECTORS.—The Foundation shall establish, subject to subsection (e), the criteria for the selection of the Board of Directors of the Foundation and appoint the initial members of the Foundation's Board of Directors.

"(6) COMPENSATION.—Members of the Committee may not receive compensation for service on the Committee. Members of the Committee may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Committee. Such reimbursement shall be in an amount and manner determined appropriate by the Director of the Centers for Disease Control and Prevention in conformance with policies in effect on the date of enactment of this part for similar reimbursements to members of existing advisory committees of the Centers for Disease Control and Prevention.

"(7) COMMITTEE SUPPORT.—The Director of the Centers for Disease Control and Prevention may provide the necessary staff and financial support to enable the Committee to carry out its responsibilities under this section. In providing such support, such Director may detail employees and contract for assistance, such as the services of an interim Executive Director.

"(e) BOARD OF DIRECTORS.—

"(1) COMPOSITION.—

"(A) IN GENERAL.—The Foundation shall be governed by a Board of Directors (hereafter in this Part referred to as the 'Board'). The initial Board shall be appointed by the Committee. All of the members of the Board shall be voting members.

"(B) MEMBERSHIP.—The initial Board appointed by the Committee under subparagraph (A) shall be composed of not less than eight individuals, one of which shall represent—

"(i) the general field of public health;

"(ii) the general field of international health; and

"(iii) the general public.

"(C) EX OFFICIO MEMBER.—The Director of the Centers for Disease Control and Prevention shall be a permanent ex officio voting member of the Board.

"(D) EXPANSION OF MEMBERSHIP.—Through an appropriate change in the bylaws of the Foundation, the number of individuals who may serve on the Board may be expanded if the Board determines appropriate.

"(2) CHAIRPERSON.—The Committee shall designate an appointed member of the Board to serve as the initial Chairperson of the Board. Such Chairperson shall serve in such capacity for a term of 2 years. Following the completion of the initial 2-year term, all subsequent Chairpersons shall be selected by the Board from among its appointed members using such methods and for such term of office as shall be determined appropriate by the Board. Such selection method and term of office shall be included in the bylaws of the Foundation.

"(3) TERMS AND VACANCIES.—

"(A) TERMS.—Each member of the Board appointed under paragraph (1)(A) shall serve for a term of 5 years, except that the initial members appointed under such paragraph shall serve for staggered terms of not to exceed 5 years as determined at the time of such initial appointments.

"(B) VACANCIES.—A vacancy in the membership of the Board shall be filled by appointment from among nominees proposed by the Chairperson of the Board and the Executive Director of the Foundation in a manner that conforms with the requirements of paragraph (1)(B), and shall not affect the power of the remaining members of the Board to execute the duties of the Board. An individual appointed to fill a vacancy on the Board shall serve for the remainder of the unexpired term for which such individual is appointed.

"(C) CONTINUED SERVICE.—A member of the Board may continue to serve after the expiration of his or her term until a successor is appointed.

"(4) COMPENSATION.—Members of the Board may not receive compensation for service on the Board. Such members may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Board, as set forth in the bylaws issued by the Board.

"(f) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Board shall appoint an Executive Director who shall serve at the pleasure of the Board. The Executive Director shall be responsible for the day-to-day operations of the Foundation and shall have such specific duties and responsibilities as the Board shall prescribe.

"(2) COMPENSATION.—The rate of compensation for the Executive Director shall be fixed by the Board.

"(3) RESPONSIBILITIES.—In carrying out subsection (b), the Executive Director, acting for the Foundation and under the direction of the Board, may—

"(A) prescribe and maintain, by and for the Board, the Foundation bylaws which shall be consistent with law, and at a minimum, provide for the manner in which—

"(i) its officers, employees, and agents are selected;

"(ii) its property is acquired, held, and transferred;

"(iii) its general operations are to be conducted; and

"(iv) the privileges granted by law are exercised and enjoyed;

"(B) provide for the employment of one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

"(C) hire, promote, compensate, and discharge officers and employees of the Foundation;

"(D) accept, hold, administer, invest, and spend any gift, devise, or bequest of real or personal of the property made to the Foundation;

"(E) establish a mechanism for the selection of candidates for the Foundation's endowed positions within the Centers for Disease Control and Prevention;

"(F) enter into such contracts, leases, cooperative agreements, and other transactions as the Executive Director considers appropriate to conduct the activities of the Foundation;

"(G) modify or consent to the modification of any contract or agreement to which the Foundation is a party or in which it has an interest under this part;

"(H) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of books and other materials;

"(I) take such action as may be necessary to obtain patents and licenses for devices and procedures developed by the Foundation and its employees;

"(J) adopt, alter, and use a corporate seal, which shall be judicially noticed;

"(K) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

"(L) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such department or agency in carrying out this section;

"(M) appoint other individual or groups of advisers as may be determined necessary from time to time to carry out the functions of the Foundation; and

"(N) exercise other powers as set forth in this section, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this part.

"(g) ADMINISTRATIVE CONTROL.—No participant in the program established under this part shall exercise any administrative control over any Federal employee.

"(h) ABILITY TO ACCEPT FUNDS.—The Centers for Disease Control and Prevention may accept funds from the Foundation whether such funds be designated as general purpose funds or designated for a particular purpose.

"(i) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—Subject to paragraph (2), for the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for each fiscal year in which appropriations may be provided for the purpose of carrying out this part.

"(2) LIMITATIONS.—

"(A) ADMINISTRATIVE SUPPORT.—Amounts appropriated under paragraph (1) or made available under subparagraph (B) shall be used to support the administrative functions of the Foundation, and may not be provided to the fund established under subsection (c)(1).

"(B) ADDITIONAL AMOUNTS.—With respect to any fiscal year for which amounts are appropriated under paragraph (1), the Secretary may, from amounts appropriated for such fiscal year for the programs of the Department, make available not more than an additional $500,000 for carrying out this part.".

TITLE IV—PREVENTABLE CASES OF INFERTILITY

SEC. 401. ESTABLISHMENT OF PROGRAM OF GRANTS REGARDING PREVENTABLE CASES OF INFERTILITY ARISING AS RESULT OF SEXUALLY TRANSMITTED DISEASES.

Title III (42 U.S.C. 241 et seq.) (as amended by sections 133 and 302), is further amended by adding at the end the following new part:

"PART O—PREVENTABLE CASES OF INFERTILITY

"SEC. 399N. INFERTILITY ARISING AS RESULT OF SEXUALLY TRANSMITTED DISEASES.

"(a) IN GENERAL.—The Secretary may make grants to States, political subdivisions of States, and any other public or nonprofit private entities for the purpose of carrying out the activities described in subsection (c) regarding any treatable sexually transmitted disease that can cause infertility in women if treatment is not received for the disease. The Secretary shall carry out this section acting through the Director of the Centers for Disease Control and Prevention.

"(b) SPECIFICATION OF RELEVANT DISEASES.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall make a determination specifying all sexually transmitted diseases that are diseases described in subsection (a).

"(2) DISEASES APPLICABLE WITH RESPECT TO GRANTEE INVOLVED.—In making a grant under subsection (a) to an applicant for the grant, the Secretary shall make a determination in order to select, from among the diseases specified for purposes of paragraph (1) for the fiscal year involved, the particular diseases with respect to which the grant is to be made to the applicant. The Secretary may select, for purposes of the determination, any or all of the diseases so specified. The Secretary may not make such a grant unless the applicant agrees to carry out this section only with respect to the disease or diseases selected for the applicant through the determination.

"(c) AUTHORIZED ACTIVITIES.—With respect to any sexually transmitted disease described in subsection (a), the activities referred to in such subsection are—

"(1) providing counseling to women on the prevention and control of the disease, including, in the case of a woman with the disease, counseling on the benefits of locating and providing such counseling to any individual from whom the woman may have contracted the disease and any individual whom the woman may have exposed to the disease;

"(2) screening women for the disease and for secondary conditions resulting from the disease, and as appropriate, to provide pregnancy testing;

"(3) providing treatment to women for the disease;

"(4) providing referrals regarding the provision of other medical services to women screened pursuant to paragraph (2), including, as appropriate, referrals for evaluation and treatment regarding acquired immune deficiency syndrome and other sexually transmitted diseases and referrals regarding pregnancy, childbirth, and pediatric care;

"(5) providing follow-up services to determine the outcomes of medical services;

"(6) in the case of any woman receiving services pursuant to any of paragraphs (1) through (5), providing to the partner of the woman the services described in such paragraphs, as appropriate;

"(7) providing outreach services to inform women of the fact that the services described in paragraphs (1) through (6) are available from the grantee involved;

"(8) providing to the public information and education on the prevention and control of the disease, including disseminating such information;

"(9) providing training to health care providers in carrying out the counseling and screenings described in paragraphs (1) and (2);

"(10) in the case of services and activities described in this subsection, coordinating the services and activities in accordance with subsection (g); and

"(11) collecting, in accordance with subsection (k), data on the incidence and prevalence of the disease in order to assist in carrying out activities for the prevention and control of the disease, including activities to educate the public regarding the disease.

"(d) REQUIREMENT OF AVAILABILITY OF ALL SERVICES THROUGH EACH GRANTEE.—The Secretary may not make a grant under subsection (a) unless the applicant involved agrees that each authorized service will be available through the applicant. With respect to compliance with such agreement, the applicant may expend the grant to provide any of the services directly, and may expend the grant to enter into agreements with other public or nonprofit private entities under which the entities provide the services.

"(e) REQUIRED PROVIDERS REGARDING CERTAIN SERVICES.—The Secretary may not make a grant under subsection (a) unless the applicant involved agrees that, in expending the grant to provide authorized services, the services described in paragraphs (1) through (7) of subsection (c) will be provided only through entities that are State or local health departments, grantees under section 329, 330, or 1001 or are other public or nonprofit private entities that provide health or voluntary family planning services to a significant number of low-income women.

"(f) QUALITY ASSURANCE REGARDING SCREENING FOR DISEASES.—For purposes of this section, the Secretary shall establish criteria for ensuring the quality of screening procedures for diseases described in subsection (a). The Secretary may not make a grant under such subsection unless the applicant involved agrees, with respect to any disease selected in the determination made under subsection (b)(2) for the applicant, to carry out screenings for the disease in accordance with such criteria.

"(g) COORDINATION OF SERVICES.—The Secretary may not make a grant under subsection (a) unless the applicant involved agrees to coordinate all authorized services provided through the applicant for the purpose of ensuring efficiency in the provision of the services.

"(h) CONFIDENTIALITY.—The Secretary may not make a grant under subsection (a) unless the applicant involved agrees to maintain the confidentiality of information on individuals regarding screenings of the individuals for sexually transmitted diseases, subject to complying with applicable law.

"(i) LIMITATION ON IMPOSITION OF FEES FOR SERVICES.—The Secretary may not make a grant under subsection (a) unless the applicant involved agrees that, if a charge is imposed for the provision of services or activities under the grant, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the individual involved; and

"(3) will not be imposed on any individual with an income of less than 150 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(j) LIMITATIONS ON CERTAIN EXPENDITURES.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that—

"(1) in the case of the first fiscal year for which the applicant receives payments under the grant, not more than 20 percent of the grant will be expended for the purpose of carrying out paragraphs (8) through (11) and subsection (c); and

"(2) in the case of any subsequent fiscal year for which the applicant receives payments under any grant under subsection (a), not more than 15 percent of the grant will be expended for such purpose.

"(k) REPORTS TO SECRETARY.—

"(1) COLLECTION OF DATA.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to any disease selected in the determination made under subsection (b)(2) for the applicant, to submit to the Secretary, for each fiscal year for which the applicant receives such a grant, a report providing—

"(A) the incidence of the disease among the population of individuals served by the applicant;

"(B) the number and demographic characteristics of individuals in such population;

"(C) the types of interventions and treatments provided by the applicant, and the health conditions with respect to which referrals have been made pursuant to subsection (c)(4);

"(D) an estimate by the applicant of the effect of the services provided under the grant on the community in which the services have been provided; and

"(E) providing such other information as is available to the applicant and determined by the Secretary to be relevant regarding the prevention and control of the disease.

"(2) UTILITY AND COMPARABILITY OF DATA.—The Secretary shall carry out activities for the purpose of ensuring the utility and comparability of data collected pursuant to paragraph (1). The Secretary may not make a grant under subsection (a) unless the applicant involved makes such agreements as the Secretary determines to be necessary for such purpose.

"(l) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—With respect to activities for which a grant under subsection (a) is authorized to be expended, the Secretary may not, subject to paragraph (2), make such a grant for any fiscal year unless the applicant agrees to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the first fiscal year for which the entity receives such a grant.

"(2) APPLICABILITY TO PRIVATE ENTITIES.—In the case of a nonprofit private entity making an agreement under paragraph (1), the Secretary may require the entity to comply with the agreement only to the extent of the amount of non-Federal amounts that are available to the entity for the activities to which the agreement applies.

"(m) SUBMISSION OF PLAN FOR PROGRAM OF GRANTEE.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the applicant involved submits to the Secretary a plan describing the manner in which the applicant will comply with the agreements required as a condition of receiving such a

grant, including a specification of the entities through which authorized services will be provided and a specification of the manner in which such services will be coordinated for purposes of subsection (g).

"(2) PARTICIPATION OF CERTAIN ENTITIES.—The Secretary may not make a grant under subsection (a) unless the applicant provides assurances satisfactory to the Secretary that the plan submitted under paragraph (1) has been prepared in consultation with an appropriate number and variety of—

"(A) representatives of entities in the geographic area involved that provide services for the prevention and control of sexually transmitted diseases, including programs to provide to the public information and education regarding such diseases; and

"(B) representatives of entities in such area that provide family planning services.

"(n) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary, the application contains the plan required in subsection (m), 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 this section.

"(o) DURATION OF GRANT.—The period during which payments are made to an entity from a grant under subsection (a) may not exceed 3 years. The provision of such payments shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments in such year. The preceding sentence may not be construed to establish a limitation on the number of grants under such subsection that may be made to an entity.

"(p) TECHNICAL ASSISTANCE, AND SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(1) TECHNICAL ASSISTANCE.—The Secretary may provide training and technical assistance to grantees under subsection (a) with respect to the planning, development, and operation of any program or service carried out under such subsection. The Secretary may provide such technical assistance directly or through grants or contracts.

"(2) SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(A) Upon the request of a grantee under subsection (a), the Secretary may, subject to subparagraph (B), provide supplies, equipment, and services for the purpose of aiding the grantee in carrying out such subsection and, for such purpose, may detail to the grantee any officer or employee of the Department of Health and Human Services.

"(B) With respect to a request described in subparagraph (A), the Secretary shall reduce the amount of the grant to the grantee involved by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

"(q) EVALUATIONS AND REPORTS BY SECRETARY.—

"(1) EVALUATIONS.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to subsection (a) in order to determine the quality and effectiveness of the programs.

"(2) REPORT TO CONGRESS.—Not later than 1 year after the date on which amounts are first appropriated pursuant to subsection (t), and annually thereafter, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report—

"(A) summarizing the information provided to the Secretary in reports made pursuant to subsection (k), including information on the incidence of sexually transmitted diseases described in subsection (a); and

"(B) summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year.

"(r) COORDINATION OF FEDERAL PROGRAMS.—The Secretary shall coordinate the activities carried out under the program established in this section with any similar activities regarding sexually transmitted diseases that are carried out under other programs administered by the Secretary, including the coordination of such activities of the Director of the Centers for Disease Control and Prevention with such activities of the Director of the National Institutes of Health.

"(s) DEFINITIONS.—For purposes of this section, the term 'authorized service' means any service or activity described in subsection (c).

"(t) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, other than subsections (q) and (u), there are authorized to be appropriated $50,000,000 for each of the fiscal years 1992 through 1996.

"(u) SEPARATE GRANTS FOR RESEARCH ON DELIVERY OF SERVICES.—

"(1) IN GENERAL.—The Secretary may make grants for the purpose of conducting research on the manner in which the delivery of services under subsection (a) may be improved. The Secretary may make such grants only to grantees under such subsection and to public and nonprofit private entities that are carrying out projects substantially similar to projects carried out under such subsection.

"(2) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out paragraph (1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1992 through 1996.".

TITLE V—MISCELLANEOUS

SEC. 501. ESTABLISHMENT OF AN ADVISORY COUNCIL ON HEALTH PROMOTION AND DISEASE PREVENTION.

Title XVII (42 U.S.C. 300u et seq.) (as amended by section 137) is further amended by adding at the end thereof the following new section:

"SEC. 1708 . SECRETARY'S ADVISORY COUNCIL.

"(a) IN GENERAL.—The Secretary shall establish an advisory council on health promotion and disease prevention to be known as the Secretary's Advisory Council on Health Promotion (hereafter referred to in this section as the 'Council').

"(b) COMPOSITION.—The Council shall be composed of—

"(1) the Secretary;

"(2) recognized leaders in health promotion, academia, industry, non-profit private organizations and representatives of health care consumer groups, to be appointed by the Secretary; and

"(3) ex officio members who shall include representatives of—

"(A) the Department of Health and Human Services as designated by the Secretary;

"(B) the Departments of Education;

"(C) the Department of Agriculture;

"(D) the Office of Science and Technology Policy;

"(E) the Surgeon Generals of all of the uniformed services;

"(F) the chief medical officer of the Department of Veterans Affairs; and

"(G) the members of the National Health Objectives Advisory Committee established under section 1910K.

"(c) DUTIES.—The Council shall provide advice and recommendations to the Secretary concerning the goals and priorities of the Department relating to health promotion, disease prevention, preventive health services and the objectives established by the Secretary for the health status of the population of the United States under section 1906(d). The Council may also direct that recommendations for changes in priorities or programs be prepared and submitted to the Congress and the President.

"(d) FUNDING.—The Secretary is authorized to transfer not to exceed one percent of any appropriation authorized under this Act to provide the funds necessary for the operation of the Council. The total amount transferred under this subsection shall not exceed $400,000 for each fiscal year.".

SEC. 502. RESPONSIBILITIES OF MEMBERS OF THE COMMISSIONED CORPS FOR HEALTH PROMOTION AND DISEASE PREVENTION.

Section 204 (42 U.S.C. 205) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) The Surgeon General shall notify all active members of the Commissioned Corps concerning any guidelines and recommendations for clinical practice that are developed or issued by the Public Health Service. The Surgeon General shall also ensure that members of the Commissioned Corps who are engaged in clinical practice are properly utilizing such guidelines and recommendations.".

SEC. 503. RESPONSIBILITIES OF THE SURGEON GENERAL FOR DISSEMINATING INFORMATION AND RECOMMENDATIONS.

Title XVII (42 U.S.C. 300u) (as amended by sections 137 and 501) is further amended by adding at the end thereof the following new section:

"SEC. 1709. DISSEMINATION OF PREVENTION RECOMMENDATIONS.

"The Secretary, in consultation with the Assistant Secretary for Health, the Director of the Office of Disease Prevention and Health Promotion, the Surgeon General of the Public Health Service, and the Director of the Agency for Health Care Policy and Research, shall inform the Surgeon Generals of all the uniformed services, the Secretary of Veterans Affairs, and the Administrator of the Office of Personnel Management concerning any guidelines or recommendations for clinical practice that are developed by the Public Health Service. The Secretary shall annually prepare and submit to the appropriate committees of Congress, a report describing all such recommendations transmitted under this section.".

SEC. 504. CHANGE IN NAME OF CENTERS FOR DISEASE CONTROL.

(a) COMPREHENSIVE SMOKING EDUCATION ACT.—Section 3(b)(1)(A) of the Comprehensive Smoking Education Act (15 U.S.C. 1341(b)(1)(A)) is amended by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention".

(b) EDUCATION AMENDMENTS OF 1978.—Section 1121(b)(2) of the Education Amendments of 1978 is amended by striking out "Federal Center for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention".

(c) VETERANS' BENEFITS AND SERVICES ACT OF 1988.—Section 123(b)(1) of the Veterans'

Benefits and Services Act of 1988 (38 U.S.C. 210 note) is amended by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention".

(d) PUBLIC HEALTH SERVICE ACT.—The Public Health Service Act is amended—

(1) in section 227 (42 U.S.C. 236) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(2) in section 317A(a) (42 U.S.C. 247b–1(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(3) in section 319(a) (42 U.S.C. 247d(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(4) in section 391 (42 U.S.C. 280b) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(5) in section 392 (42 U.S.C. 280b–1) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(6) in section 393 (42 U.S.C. 280b–2) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(7) in section 430(b)(2)(A)(i) (42 U.S.C. 285c–4(b)(2)(A)(i)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(8) in section 442(b)(2)(A) (42 U.S.C. 285d–7(b)(2)(A)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(9) in section 464D(b)(2)(A) (42 U.S.C. 285m–4(b)(2)(A)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(10) in section 494(a) (42 U.S.C. 289c(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(11) in section 508(b)(6) (42 U.S.C. 290aa–6(b)(6)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(12) in section 509B(a) (42 U.S.C. 290aa–9(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(13) in section 1706(c)(2)(B) (42 U.S.C. 300u–5(c)(2)(B)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(14) in section 2102 (42 U.S.C. 300aa–2) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(15) in section 2119(a)(2) (42 U.S.C. 300aa–19(a)(2)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(16) in section 2126(b)(2) (42 U.S.C. 300aa–26(b)(2)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(17) in section 2301(b)(4) (42 U.S.C. 300cc(b)(4)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(18) in section 2303 (42 U.S.C. 300cc–2) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(19) in section 2315(b) (42 U.S.C. 300cc–15(b)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(20) in section 2317 (42 U.S.C. 300cc–17) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(21) in section 2320 (42 U.S.C. 300cc–20) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(22) in section 2341(a) (42 U.S.C. 300cc–31(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(23) in section 2521 (42 U.S.C. 300ee–31) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(24) in section 2522(a) (42 U.S.C. 300ee–32(a)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(25) in section 2524(b)(2) (42 U.S.C. 300ee–34(b)(2)) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(26) in section 2601 by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(27) in section 2602(a)(1) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(28) in section 2603(a)(3)(B)(i) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(29) in section 2607(2) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(30) in section 2617(d)(3)(A) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(31) in section 2618(c)(1) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(32) in section 2641(a) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(33) in section 2643(c)(1)(A) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention";

(34) in section 2649 by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention"; and

(35) in section 2675(a) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention".

(e) HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988.—The Health Omnibus Programs Extension of 1988 is amended—

(1) in section 161 (42 U.S.C. 241 note) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention";

(2) in section 252 (42 U.S.C. 300ee–1) by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention"; and

(3) in section 253 (42 U.S.C. 300ee–2) by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention".

(f) HEALTH RESEARCH EXTENSION ACT OF 1985.—Section 5(b)(1)(G) of the Health Research Extension Act of 1985 (42 U.S.C. 281 note) is amended by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention".

(g) PAINT POISONING PREVENTION.—Section 501(3)(B)(i) of Public Law 91–695 (42 U.S.C. 4841(3)(B)(i)) is amended by striking out "Centers for Disease Control" and inserting in lieu thereof "Centers for Disease Control and Prevention".

(h) COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980.—Section 104 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9604) is amended by striking out "Centers for Disease Control" each place that such occurs and inserting in lieu thereof "Centers for Disease Control and Prevention".

SEC. 505. STUDY CONCERNING THE REDUCTION OF THE RISK OF BLOODBORNE DISEASE TRANSMISSION.

(a) STUDY.—The Secretary of Health and Human Services shall request the National Academy of Sciences, acting through the Institute of Medicine, to conduct a study concerning surgical technique, including oral surgery, and medical device innovation to further reduce the risk of bloodborne disease transmission in the health care setting. The study shall review techniques and medical devices used in performing various surgical and dental procedures that present a risk of percutaneous injury and examine mechanisms, such as improvements in technique and product design modification, to enhance injury prevention during such procedures to further reduce the risk of bloodborne disease transmission.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the results of the study conducted under subsection (a).

Mr. D'AMATO:

S.J. Res. 228. A joint resolution designating the week beginning February 23, 1992, as "National Manufacturing Week"; to the Committee on the Judiciary.

NATIONAL MANUFACTURING WEEK

• Mr. D'AMATO. Mr. President, I rise today to introduce legislation designating the week of February 23 through 29, 1992, as "National Manufacturing Week."

This legislation celebrates the important contributions of the manufacturing industry to our economy, national defense, and way of life in the United States. Manufacturing directly employs over 18 million workers, and at least that many workers in the service

sector depend on a sound manufacturing sector for their jobs. Manufacturing accounts for some of the highest paying jobs and therefore is an important source of tax revenue for local, State, and the Federal Government. Sound manufacturing is essential for a strong national defense. A strong manufacturing sector is directly linked to leadership in science and technology.

The manufacturing industry is on the move; it is reinventing itself with new factories, new products, new workers, and a new management style. The result is lower costs, greater productivity, better products, more modern facilities, higher quality, vigorous expansion of exports, and restructured organizations. We are all encouraged by the contribution manufacturing is making to the future of our country. It is a newness that warrants recognition. Therefore I urge all of my distinguished colleagues to support and cosponsor this resolution to make February 23 through 29, 1992, "National Manufacturing Week."

Mr. President, I ask unanimous consent that the text of my bill be printed in its entirely at the conclusion of my remarks.

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

S.J. RES. 228

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas throughout the history of the United States, manufacturing has contributed substantially to the economic well being of the Nation;

Whereas manufacturing is an essential yet often overlooked component of the economic foundation of the United States;

Whereas a strong manufacturing industry contributes to continued growth, prosperity, and high-paying jobs in every other sector of the national economy;

Whereas manufacturing directly employs more than 18,000,000 workers, and at least 18,000,000 workers in the service sector depend on a sound manufacturing sector for their jobs;

Whereas manufacturing accounts for many of the highest paying jobs in the economy, and manufacturing wages are 20 percent higher on the average than non-manufacturing wages;

Whereas in the 1980's, manufacturing increased from 20 to 23 percent of the gross national product, and manufacturing productivity in the last decade has increased at an annual rate of 3.6 percent, 3 times faster than the rate at which non-manufacturing activity has increased;

Whereas the quality revolution has been one of the most important factors contributing to the recent resurgence of manufacturing in the United States;

Whereas manufacturing is an important source of tax revenue for the Federal Government, and State and local governments;

Whereas the continued leadership of the United States in science and technology is inherently linked to the success of manufacturing;

Whereas manufactured goods account for more than 80 percent of the trade deficit of the United States, indicating that manufacturing is especially important to overall national competitiveness and international trade;

Whereas a sound manufacturing economy is an essential precondition for a strong national defense;

Whereas the school children of the Nation should be educated about job opportunities in manufacturing;

Whereas the people of the United States should be educated about the importance of manufacturing to the economy, the international competitiveness, and the standard of living of the Nation, and about the challenges and changing nature of manufacturing; Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning February 23, 1992, is designated as "National Manufacturing Week," and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 243

At the request of Mr. ADAMS, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. GORE], the Senator from North Dakota [Mr. BURDICK], the Senator from Georgia [Mr. FOWLER], the Senator from Hawaii [Mr. AKAKA], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 243, a bill to revise and extend the Older Americans Act of 1965, and for other purposes.

S. 267

At the request of Mr. REID, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 267, a bill to prohibit a State from imposing an income tax on the pension or retirement income of individuals who are not residents or domiciliaries of that State.

S. 284

At the request of Mr. LIEBERMAN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 474

At the request of Mr. DECONCINI, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Arkansas [Mr. BUMPERS], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 474, a bill to prohibit sports gambling under State law.

S. 684

At the request of Mr. FOWLER, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 684, a bill to amend the National Historic Preservation Act and the National Historic Preservation Act Amendments of 1980 to strengthen the preservation of our historic heritage and resources, and for other purposes.

S. 891

At the request of Mr. MACK, the names of the Senator from Washington [Mr. GORTON], the Senator from Alabama [Mr. SHELBY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 891, a bill to amend the Internal Revenue Code of 1986 to provide a refundable credit for qualified cancer screening tests.

S. 898

At the request of Mr. LEAHY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 898, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to improve the safety of exported pesticides, and for other purposes.

S. 1423

At the request of Mr. DODD, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1490

At the request of Mr. ROCKEFELLER, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1490, a bill to provide for the establishment of a national scenic byways program.

S. 1521

At the request of Mr. MCCONNELL, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1521, a bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of hard-core pornographic material.

S. 1627

At the request of Mr. FORD, the names of the Senator from Tennessee [Mr. SASSER] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1627, a bill to amend section 615 of title 38, United States Code, to require the Secretary of Veterans Affairs to permit persons who receive care at medical facilities of the Department of Veterans Affairs to have access to and to consume tobacco products.

S. 1673

At the request of Mr. HEFLIN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 1673, a bill to improve the Federal justices and judges survivors' annuities program, and for other purposes.

S. 1730

At the request of Mr. ADAMS, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1730, a bill to provide early childhood staff training and professional enhancement grants, and for other purposes.

S. 1810

At the request of Mr. ROCKEFELLER, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nebraska [Mr. EXON], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1810, a bill to amend title XVIII of the Social Security Act to provide for corrections with respect to the implementation of reform of payments to physicians under the Medicare Program, and for other purposes.

S. 1860

At the request of Mr. GRASSLEY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1860, a bill to amend part A of title IV of the Social Security Act to remove barriers and disincentives in the program of aid to families with dependent children so as to enable recipients of such aid to move toward self-sufficiency through microenterprises.

S. 1866

At the request of Mr. KENNEDY, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1866, a bill to promote community based economic development and to provide assistance for community development corporations, and for other purposes.

S. 1884

At the request of Mr. D'AMATO, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1884, a bill to require the Secretary of Agriculture to conduct inspections of garbage from Canada and to assess fees for such inspections.

SENATE CONCURRENT RESOLUTION 65

At the request of Mr. DECONCINI, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Concurrent Resolution 65, a concurrent resolution to express the sense of the Congress that the President should recognize Ukraine's independence.

SENATE RESOLUTION 196

At the request of Mr. HATCH, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Resolution 196, a resolution expressing the sense of the Senate that the Soviet Union should immediately begin a prompt withdrawal of Soviet Armed Forces from the Baltic States and undertake discussions with the governments of Lithuania, Latvia, and Estonia appropriate to facilitate that withdrawal.

SENATE RESOLUTION 213

At the request of Mr. GORE, the names of the Senator from Washington [Mr. GORTON], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Resolution 213, a resolution expressing the sense of the Senate regarding United States policy toward Yugoslavia.

SENATE CONCURRENT RESOLUTION 75—RELATIVE TO AWARDING OF THE PRESIDENTIAL UNIT CITATION TO THE CREW OF THE U.S.S. "NEVADA" FOR THEIR HEROISM DURING THE ATTACK ON PEARL HARBOR

Mr. REID (for himself and Mr. BRYAN) submitted the following concurrent resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 75

Whereas the Japanese military forces attacked the United States on December 7, 1941, at Pearl Harbor in Hawaii;

Whereas the U.S.S. Nevada was the oldest battleship present during the attack, and was, despite being moored directly astern of the U.S.S. Arizona and restricted by a dredging line astern, the only battleship able to get underway during the attack;

Whereas the U.S.S. Nevada, prior to getting underway, had been struck by a torpedo which tore a 20-foot by 20-foot hole in her bow and by several bombs which started fires in her forecastle and amidships;

Whereas there was only one officer senior to the rank of Ensign aboard the U.S.S. Nevada, and he manned his battle station in Central Station deep in the ship;

Whereas over 50 men were killed and over 100 wounded on the U.S.S. Nevada during the attack;

Whereas the outstanding teamwork, perseverance, and unfailing devotion to duty of the crew of the U.S.S. Nevada enabled them to perform courageously and gallantly; and

Whereas the role of the crew of the U.S.S. Nevada has been either downplayed or overlooked: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President should award the Presidential Unit Citation to the crew of the U.S.S. Nevada for their heroism and gallantry during the attack on Pearl Harbor on December 7, 1941.

Mr. REID. Mr. President, I speak here today in honor of one ship and its crew of brave sailors who fought for their country's honor. I am referring to the U.S.S. *Nevada*, a battleship present at Pearl Harbor on December 7, 1941.

While the history of this Nation from the day it was born is one of an inevitable rise to power, perhaps no other date in history more reflects America's assumption of world leadership. The Japanese attack on Pearl Harbor brought our country into the greatest war ever fought. The many forces of democracy and self-determination joined in a grand alliance to defeat totalitarianism. The men and women present at Pearl Harbor witnessed the United States entry into World War II, and many gave their lives over the following 4 years.

As almost everyone knows, the Japanese attack was a complete surprise. It was a quiet Sunday morning, and most of the Pacific fleet sat peacefully at anchor. Within a matter of hours, however, the Japanese torpedo planes and bombers had wrought intense destruction, suffering little damage in return.

Only a few American ships were able to escape destruction, and it is in honor of one of these ships that I rise today. The U.S.S. *Nevada* was the only battleship to get underway during the attack, despite receiving several major torpedo and bomb hits.

The brave crew of the U.S.S. *Nevada* fought hard that day to get their ship out of danger. After the attack, Congressional Medals of Honor and other decorations were awarded to some of the crewmembers. I rise today, however, in hope that the entire crew can be honored. I and my fellow Nevadan, Senator BRYAN, are sending to the desk a resolution. This resolution asks the President to award to the entire U.S.S. *Nevada* complement one of this country's highest honors: the Presidential Unit Citation.

Fifty years after the onset of World War II, it is time to honor those brave men and women who fought for their country. The crew of the U.S.S. *Nevada* worked together and fought bravely on December 7, 1941, and throughout the war. Awarding the Presidential Unit Citation to these individuals is the best way our country can show its appreciation.

Today, in the House of Representatives, Congresswoman VUCANOVICH and Congressman BILBRAY are introducing a companion resolution to this one. It is my hope that this resolution will pass both Houses quickly so that the brave crew of the U.S.S. *Nevada* can be honored during the 50th anniversary celebration of Pearl Harbor.

SENATE RESOLUTION 215—A RESOLUTION RELATING TO SENATE PAY INCREASES

Mr. COATS submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 215

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following:

"RULE XLIII

"SENATE PAY INCREASES

"1. It shall not be in order to consider a bill or resolution containing a provision increasing the pay of Members of the Senate under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351 et seq.) unless such provision is the only matter contained in the bill or resolution being considered.

"2. It shall not be in order to consider any amendment containing a provision increasing the pay of Members of the Senate under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351 et seq.) to a bill or resolution.

"3. It shall not be in order to consider a bill or resolution containing a provision increasing the pay of Members of the Senate under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351 et seq.) unless such bill or resolution is filed with the Journal Clerk at least 7 calendar days prior to consideration of such bill or resolution.

"4. Paragraph 1, 2, or 3 of this rule may be waived only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.".

SENATE RESOLUTION 216—RELATIVE TO RECOGNITION OF CROATIA, SLOVENIA, BOSNIA-HERCEGOVINA, KOSOVA, AND MACEDONIA

Mr. D'AMATO (for himself and Mr. PRESSLER) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 216

Whereas, in 1990, the Republics of Croatia, Slovenia, Macedonia, and Bosnia-Hercegovina held free and fair elections;

Whereas, in 1991, the citizens of Kosova held as free and fair elections as were possible under martial law;

Whereas, on June 25, 1991, the Republic of Macedonia declared its independence after 95 percent of the population supported independence in a September 8, 1991 referendum;

Whereas, on September 8, 1991, the freely elected Assembly of the republic of Bosnia-Hercegovina declared Bosnia-Hercegovina a sovereign state;

Whereas, in a September 26, 1991 referendum, a vast majority of the citizens of Kosova approved independence;

Whereas the United States should advance the principles of peace, democracy, human rights, self-determination, respect for existing borders, and respect for existing borders, and respect for international law: Now, therefore, be it

Resolved by the Senate, That it is the sense of the Senate that the President should confer diplomatic recognition upon, and establish diplomatic relations with, the sovereign states of Croatia, Slovenia, Bosnia-Hercegovina, Kosova, and Macedonia.

The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

• Mr. D'AMATO. Mr. President, I rise today along with Senator PRESSLER to introduce a resolution urging the President to recognize the independence of the Yugoslav Republics of Croatia, Kosova, Slovenia, Macedonia, and Bosnia and Hercegovina.

The most basic tenet of democracy lies in representing the wishes of the citizenry. The citizens of Croatia, Kosova, Slovenia, Macedonia, and Bosnia and Hercegovina have sent a clear message of their desire for independence to the leadership in Yugoslavia. Overwhelmingly, each Republic, holding free and fair elections this year, stated their clear passion for freedom. Up to now, their message has been ignored.

It is my firm belief that the United States, the most powerful model of democracy in history, has a clear responsibility to support those who seek to carry the torch of democracy. The only road to true peace in Europe is the road of self-determination. The citizens of these Republics have chosen this road overwhelmingly and we must support them throughout their treacherous travels against the repressive forces in Yugoslavia.

The situation in Yugoslavia has raged into civil war. Thousands of innocent civilians have been murdered, hundreds of thousands have been displaced, hospitals have been bombed, schools have been bombed, and hundreds of churches destroyed. All of this destruction because Serbian dictator Slobodan Milosevic, the most brutal Communist dictator in Europe, decided that he wanted a larger piece of Yugoslavia for himself and his Serbian brethren.

Slobodan Milosevic is the butcher of Belgrade. He has blatantly defied 11 European Community cease-fires, and he continues to kill the innocent. He kills those that seek freedom and those that seek democracy.

Just 2 days ago, the Serbian delegation walked out of EC-sponsored peace talks at the Hague. The EC threatened sanction on those parties that left the peace table, yet when the Serbs walked out the EC delayed all action. Mr. President, while the EC fiddles, Zagreb burns.

And it's not just Zagreb which suffers. The historic town of Dubrovnik, the jewel of the Adriatic, has been under attack for weeks, without water, food, or electricity. This town has no military significance, yet the Milosevic ego could not be contained. He is a dictator bent on destruction.

Yesterday afternoon several Croatian students representing 85 students of Dubrovnik who undertook a hunger strike on October 22 came to my office. During the meeting one of the students asked if there is anyone who can stop the killing. Mr. President, I firmly believe that only the United States, a country that has always stood behind those seeking peace, freedom, and democracy, can stop this killer.

Milosevic's reign of terror is neither new or limited to Croatia. We must never forget the suffering of the close to 2 million Albanians in Kosova. Suffering under a Milosevic, imposed martial law for over 2½ years, they have seen thousands of innocent people die, including women and children, and many more arrested unjustly. Hundreds of thousands have been dismissed from jobs because of their beliefs. Is this just? Is this humane? Who will help these people?

Mr. President, it has become quite obvious that help will not come from the European Community. Therefore, it must come from this distinguished body. By recognizing the sovereignty of these republics, who have all voted themselves independence, we will send the strongest of messages to the killer Milosevic.

We cannot wait. We cannot delay. We cannot monitor. We must act and we must act now because for every minute we wait, more innocent men, women and children die.•

SENATE RESOLUTION 217—RELATIVE TO THE OZONE

Mr. GORE (for himself, Mr. ADAMS, MR. AKAKA, Mr. BINGAMAN, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. DASCHLE, Mr. DODD, Mr. INOUYE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. SIMON, Mr. WELLSTONE, and Mr. WIRTH) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 217

Whereas the stratospheric ozone layer, which protects all living things from harmful ultraviolet radiation from the sun, has been severely depleted in many areas of the globe;

Whereas recent scientific data show that the ozone layer over densely populated areas of the United States and other countries in the northern midlatitudes has thinned twice as fast as had previously been measured and as had been projected by theoretical models and the depletion is persisting into the warmer months of the year, and has reached significant levels even in summer;

Whereas ozone depletion in the Southern Hemisphere is proceeding even more rapidly than in the Northern Hemisphere;

Whereas the incidence of skin cancer and cataracts is expected to rise significantly and the human immune system may be suppressed due to increased exposure to ultraviolet radiation;

Whereas increased exposure to ultraviolet radiation threatens food crops and some wild plants, and interferes with the ability of phytoplankton, the microscopic organisms that are at the base of the oceanic food chain, to photosynthesize and to reproduce;

Whereas the scientific evidence shows that chlorofluorocarbons, hydrochlorofluorocarbons, and other halogenated chemicals undergo reactions in the stratosphere that lead to the rapid destruction of the ozone layer;

Whereas the Administrator of the Environmental Protection Agency is required under the Clean Air Act Amendments of 1990 to accelerate the scheduled phaseout of ozone-destroying substances if it is determined in the light of scientific evidence that a more stringent schedule is necessary to protect human health and the environment;

Whereas the recent scientific findings make necessary a reappraisal of both domestic and international policy on the control of ozone-destroying chemicals; Now, therefore, be it

Resolved, That—

(1) the Administrator of the Environmental Protection Agency should accelerate the interim phaseout schedules and the final phaseout date of chlorofluorocarbons, carbon tetrachloride, methyl chloroform, and halons as required pursuant to section 606 of the Clean Air Act Amendments of 1990, and shall provide for complete phaseout as early as possible;

(2) the Administrator of the Environmental Protection Agency should accelerate the interim phaseout schedule and the final phaseout date of those hydrochlorofluorocarbons that have relatively long atmospheric lifetimes, high ozone depletion potentials, or high global warming potentials;

(3) the Administrator of the Environmental Protection Agency should prioritize efforts to issue regulations, as required pursuant to title VI of the Clean Air Act Amendments of 1990, providing for the recapture and recycling of ozone-destroying substances as used in appliances and motor vehicle air conditioners, and for the elimi-

nation of such substances as used in nonessential consumer products;

(4) the President of the United States should urge the Contracting Parties to the Montreal protocol to accelerate the interim phase out schedules and the final phaseout date of the ozone-destroying chemicals currently covered by the protocol;

(5) the President should urge the contracting parties to include hydrochlorofluorocarbons within the terms of the Montreal protocol, and to provide for the most rapid phaseout of those hydrochlorofluorocarbons with relatively long atmospheric lifetimes, high ozone depletion potentials, or high global warming potentials;

(6) the President should urge the contracting parties to amend the Protocol to include recapture and recycling provisions and to prohibit the venting or releasing of ozone-destroying chemicals from refrigeration and air-conditioning units into the atmosphere by date certain;

(7) the President should urge the contracting parties, by providing technical assistance and through other measures as appropriate, to accelerate the compliance of developing countries with the terms of the Montreal protocol.

Mr. GORE. Mr. President, I rise to speak on a different subject, one that I have addressed here before. Late last month, the International Ozone Scientific Assessment Panel sounded a loud alarm. I spoke to my colleagues on the floor the day the new data was released, and I indicated then that the news was not good, confirming earlier reports that ozone depletion is proceeding some two to three times faster than had ever been found or measured or predicted before, over almost every part of the globe, including over this Capitol Building, over Oklahoma, over Louisiana, over Arkansas, over Tennessee, over Nevada, over all parts of the United States.

The scientists also reported that, for the first time, they had detected significant levels of ozone depletion in the summer months. The implications of this finding for human health, for the stability of agricultural crops, indeed for the entire food chain on which all life depends, are ominous. We have, in fact, changed our environment, and in such a way that for our lifetimes and for our children's lifetimes, we will have to take new precautions simply to enjoy the pleasure of spending time outdoors.

Of course, while we can use floppy hats and sunglasses, animals and plants cannot. And earlier this month, actually late last month, a new scientific study was released confirming for the first time that the extra levels of ultraviolet B radiation, coming through the atmosphere because of the depleted ozone layer, interfere with the photosynthesis by plankton in the ocean. That is the base of the food chain in the oceans, and the implications of those findings are very ominous indeed, as well.

There was a story yesterday, Mr. President, about hunters in the southern part of South America known as Patagonia. Patagonia, as you know, is at the tip of South America. Part is in Argentina and part in Brazil. The ozone hole above Antarctica now spreads out over an area three times as large as the continental United States of America.

The edges of that ozone hole now cover Patagonia or part of Patagonia. Some communities there are now within the ozone hole. That is the reason why some saw significance in this news report from Patagonia about hunters finding blind rabbits.

Why do they test medications and cosmetics intended for human beings on rabbits? That is another whole controversy. But one of the reasons why rabbits are used for some tests has to do with the similarity between a rabbit's eye and a human being's eye. The fact that extra ultraviolet radiation is linked to extra cases of cataracts and blindness here in the United States over the next several decades is related to the fact that in these land areas within the ozone hole hunters are now finding blind rabbits.

When do we wake up and react to this? When do we say this is worth responding to?

Actually, the world has responded to a limited degree with the Montreal Protocol. But one of the provisions in the Clean Air Act, Mr. President, tells the administration that when significant new evidence is found about ozone depletion they have to speed up the phaseout of the chemicals that cause ozone depletion. The law does not say the administration may speed up the phaseout of these chemicals. The administration is required to speed up the phaseout of these chemicals.

Is this new evidence significant within the meaning of the term as it appears in the law? Of course it is. Scientists from nations around the world gathered in Switzerland in closed-door meetings for a week to verify whether the evidence really showed what they were afraid that it did.

When they verified it, they sent out emergency messages by telefax to the government of every nation in the world to say the new evidence is significant. It is dangerous. It is grave. We have to act further. We have to speed up the phaseout of these chemicals.

The very next morning spokesmen for the administration appeared on television news shows, saying this is significant. We need to take action.

Where is the action? I heard the words. I have waited as time passed. Nothing has happened.

I have a deep respect for the head of the Environmental Protection Agency, Mr. Bill Reilly. I have a feeling that if he could set the policy the President would have already announced a speedup of the phaseout of these chemicals.

But he does not set the policy. The President sets the policy. And he pretends that it is Mr. Sununu who sets the policy, but the President sets the policy. And when Mr. Sununu and Mr. Reilly disagree, they tell Mr. Reilly to shut up and be quiet, and stop calling for the President to do the right thing.

Recently, and let me say this as a parenthetical thought: One of the large environmental organizations looked at the President's environmental record and said that he deserves a D-plus. Mr. Reilly protested loudly, and said the President deserves a C. Deserves a C.

I do not think he even deserves a C. But if that is the best case that can be made by a spokesman for the environmental President, then it is a pretty sad commentary on what that President has really done and what he has not done.

But let me come back, Mr. President, to this case. The chemicals that destroy the stratospheric ozone layer were first used in small quantities about 60 years ago. One of them, carbon tetrachloride, was first used about 80 years ago. But the main ones were first used in small quantities 60 years ago and were not used in significant amounts until after World War II. The chlorine began to build up in the atmosphere as these chemicals broke down high in the atmosphere.

And now the atmosphere of the entire Earth has been changed in several ways, but in this respect it has been changed in terms of the amount of chlorine atoms in the atmosphere.

In this Chamber, the air that these pages are breathing right now, that you are breathing, Mr. President, that I am breathing has 600 percent more chlorine atoms in each lungful than it did when this Chamber was constructed, than it did when I was born. That is because the atmosphere of the entire earth has been changed to that degree in only 30 or 40 years' time.

Almost 20 years ago, two scientists, one of them named Sherwood Rowland, and the other his assistant, Mario Melino, discovered the linkage between these chemicals, chlorofluorocarbons, and there are other bromides and carbon tetrachloride, and the others, but the main actors are the chlorofluorocarbons. He discovered the linkage between the chemicals and destruction of the stratospheric ozone layer.

A lot of people did not believe it. He was taken off the invitation list for scientific meetings. A lot of chemical companies that were profiting from this business also sponsored some of these meetings in part. They did not want him to, but as time passed by the evidence became clear to others and he was vindicated.

Then the ozone hole appeared and the world scientific community rang the alarm bells, and governments responded belatedly, but they did respond, and the Montreal protocol was signed. Every year since then, new evidence has been coming in and those provisions have been getting stronger.

Here in the United States, as I said a moment ago, we anticipated when the Clean Air Act was passed, and I had an amendment on the floor here that was accepted, that new evidence would come out and that the phaseout of these chemicals, which is on a slow and leisurely pace, now fast according to past circumstances, but slow and leisurely compared to what the crisis is we anticipated that that pace would have to be speeded up significantly, and the law says when significant new evidence comes out the phaseout has to be speeded up.

Where is the action? What is the environmental President doing? When is he going to respond? I know I asked the question in a tone that implies disbelief, but truly, Mr. President, what are we doing waiting to respond?

Today I am introducing a resolution on behalf of one of my colleagues urging the administration to act now as the law requires them to do, to accelerate the phaseout of the ozone-destroying chemicals that are placing each of us and our children in such grave jeopardy.

My colleagues may recall that I introduced a similar resolution last April when similarly disturbing news was reported by the scientific community with regard to ozone depletion. I brought that resolution to the floor. And what happened? The administration put a hold on it. The President sent word to his allies here: Stop the resolution. We do not want action. We do not want it to speed up the phaseout of these chemicals. We will just keep things as they are.

Their argument was that the United States should not take unilateral action to step up the phaseout of chlorofluorocarbons. Unilateral action? The truth, Mr. President, is the United States of America is way behind on this. Other countries are right out in front of us. They have some leadership. They are listening to their scientists. They care about future generations. They are moving much faster than we are.

Many countries have already announced that they are going to completely stop the production and use of these incredibly harmful chemicals within 3½ years, in 1995, 5 years before either required to do so under the Montreal protocols. But because President Bush refuses to act, we are lagging way behind. Even the industry, even the companies that profit from these chemicals are way ahead of President Bush on this. One company in the United States indicated that they would, in response to the new findings in their production of these chemicals some 4 years ahead of schedule.

Where is the environmental President? If even the companies profiting from the practice are willing to move faster, if our allies in other countries are moving twice as fast as we are, where is the environmental President?

In press interviews and statements immediately after the release of the data, Mr. Reilly said the data was startling. This is last April. There have been two releases—one last April and one just a couple of weeks ago.

Last April, when many of us called for speeding up the phaseout, Mr. Reilly said this evidence is startling, and the implications for policy are clear. And, of course, they were. And the Environmental Protection Agency, under Mr. Reilly, released evidence showing that the evidence from the satellites clearly means that many millions of Americans will suffer cancer and many hundreds of thousands additional will die in the United States because of the extra depletion of the stratospheric ozone layer.

But still, incredibly, there has been no action by EPA or by the President. It is business as usual at EPA and they are only now getting around to publishing preliminary rulemaking on some of the Clean Air Act provisions.

Obviously, Mr. President, Mr. Reilly appreciates the need for much more aggressive action. It must just, therefore, be one more example of where Mr. Bush's political heavies rather than his scientific experts are calling the shots. We have seen many other examples of this. Sununu and Vice President QUAYLE and his counsel on competitiveness have been keeping themselves very busy thwarting policies that are needed to protect our health and our environment.

In addition to introducing the resolution, Mr. President, I am also sending a letter to the President today calling for an end to these irresponsible and immoral delay tactics—and I use the word advisedly, looking at these youngsters who are Pages here and looking at the implications of the evidence for the world they will inherit. And I am joined in this letter by 23 of our colleagues.

We urge the President to take action to stop the continued production and use of these chemicals depleting the ozone and confront this process that is now out of control, and stop the other grave threat that we face, the intensified greenhouse effect that our pollution of the atmosphere is causing.

And, incidentally, the new data shows very clearly that the role of CO_2 in global warming is even more pronounced than was thought before these latest findings were released. The ozone scientists determined that we need to redouble our efforts to reduce emissions of CO_2 and specifically called for it because the global warming impact of CFC's is at least in part mitigated due to the interaction with the ozone. The chemicals themselves trap heat, but when the ozone is destroyed, then that partially offsets it. What it means is that CO_2 is even more important than was thought.

The administration was playing a fast and loose game in pretending that if they got rid of CFC's by the end of this century, that would meet their commitment to reduce greenhouse gases. The implications of these new findings are, of course, that that just does not work and they have to come up with a real policy on CO_2.

The astonishing and unprecedented rate of the depletion of ozone that we are witnessing underscores as well the message that the scientists have long tried to send us with regard to natural processes. We simply cannot assume that nature will respond gracefully and gradually to the intensifying pressures that we are exerting. Dangerous thresholds can, indeed, be reached and, once crossed, our ability to mitigate or avoid harmful impact may be extremely limited.

The bottomline, Mr. President, is that we need to accelerate the phaseout of all of the chemicals now destroying the stratospheric ozone layer and we need to move aggressively to curb our emission of carbon dioxide.

I hope my other colleagues join us in cosponsoring this resolution, and I hope the President will finally hear our call and stop dragging his feet and take a leadership role on these critical issues.

Mr. President, I ask unanimous consent that the letter to the President to which I have referred be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, November 7, 1991.

Hon. GEORGE BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to urge you to take immediate action to address the global environmental problems we face. The stakes are high, and we can no longer afford simply to call for further study. Your leadership is critical.

Last month, the International Ozone Trends Assessment Panel sounded a loud alarm. Confirming earlier reports that ozone depletion is proceeding some 200 percent faster than had ever previously been measured or predicted, the scientists also reported that—for the first time—they had detected significant levels of ozone depletion in the summer months. The implications of this finding for human health, for the stability of agricultural crops, indeed, for the entire food chain on which all life depnds is ominous. We have in fact changed our environment, and in such a way that for our lifetimes and for our children's lifetimes, we will have to take precautions simply to enjoy the pleasure of spending time outdoors.

The Ozone Trends report also has significant implications for global warming. First, the scientists determined that the contribution of chlorofluorocarbons to the enhanced greenhouse effect is, at least in part, mitigated by the depletion of ozone, which is also a greenhouse gas. The implication here is that, in our effort to counter the effects of global warming, we cannot rely on the steps we are taking to phaseout CFC's under the Montreal Protocol or the Clean Air Act. Rather we must redouble our efforts to re-

duce our emissions of those gases whose radiative effect is not offset by other reactions in the atmosphere—particularly and most importantly, carbon dioxide.

Second, the astonishing and unprecedented rate of the depletion that we are witnessing underscores the message that the scientists have long tried to send us with regard to natural processes. We simply cannot assume that nature will respond gracefully and gradually to the intensifying pressures we are exerting. Dangerous thresholds can indeed be reached, and once we cross these critical points, our ability to mitigate or avoid harmful impacts is extremely limited.

The bottomline: we need to accelerate the phaseout of all chemicals that destroy the ozone layer, and we need to move aggressively to curb our emissions of carbon dioxide. The Congress has taken action on both of these fronts, and many other nations are far ahead of us in responding to these threats. Leadership from the White House is now essential.

We feel that this situation is of the utmost urgency, and we sincerely hope that you will give it your immediate attention. Congress is moving; the White House must too.

Sincerely,

Brock Adams, Daniel K. Akaka, Jeff Bingaman, Dale Bumpers, William S. Cohen, Christopher J. Dodd, Albert Gore, Jr., Joseph R. Biden, Jr., Richard H. Bryan, John H. Chafee, Thomas A. Daschle, Daniel K. Inouye, Edward M. Kennedy, Herbert Kohl, Carl Levin, Barbara A. Mikulski, Claiborne Pell, Paul Wellstone, John F. Kerry, Patrick J. Leahy, Joseph I. Lieberman, Daniel Patrick Moynihan, Paul Simon. Timothy E. Wirth.

AMENDMENTS SUBMITTED

CHILD ABUSE, FAMILY VIOLENCE, ADOPTION AND FAMILY SERVICES ACT OF 1991

DODD (AND COATS) AMENDMENT NO. 1309

Mr. DODD (for himself and Mr. COATS) proposed an amendment to the bill (S. 838) to amend the Child Abuse Prevention and Treatment Act to revise and extend programs under such act, and for other purposes, as follows:

In lieu of the language proposed to be inserted, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Abuse, Domestic Violence, Adoption and Family Services Act of 1991".

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

SEC. 101. REFERENCES.

Except as otherwise provided, whenever in this title 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 Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

(a) IN GENERAL.—The Act is amended by inserting after the table of contents the following new section:

"SEC. 2. FINDINGS.

"Congress finds that—

"(1) each year, hundreds of thousands of American children are victims of abuse and neglect with such numbers having increased dramatically over the past decade;

"(2) many of these children and their families fail to receive adequate protection or treatment;

"(3) the problem of child abuse and neglect requires a comprehensive approach that—

"(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

"(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

"(C) emphasizes the need for abuse and neglect prevention, investigation, and treatment at the neighborhood level;

"(D) ensures properly trained and supported staff with specialized knowledge, to carry out their child protection duties; and

"(E) is sensitive to ethnic and cultural diversity;

"(4) the failure to coordinate and comprehensively prevent and treat child abuse and neglect threatens the futures of tens of thousands of children and results in a cost to the Nation of billions of dollars in direct expenditures for health, social, and special educational services and ultimately in the loss of work productivity;

"(5) all elements of American society have a shared responsibility in responding to this national child and family emergency;

"(6) substantial reductions in the prevalence and incidence of child abuse and neglect and the alleviation of its consequences are matters of the highest national priority;

"(7) national policy should strengthen families to remedy the causes of child abuse and neglect, provide support for intensive services to prevent the unnecessary removal of children from families, and promote the reunification of families if removal has taken place;

"(8) the child protection system should be comprehensive, child-centered, family-focused, and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social re-integration in an environment that fosters the health, self-respect, and dignity of the child;

"(9) because of the limited resources available in low-income communities, Federal aid for the child protection system should be distributed with due regard to the relative financial need of the communities;

"(10) the Federal government should ensure that every community in the United States has the fiscal, human, and technical resources necessary to develop and implement a successful and comprehensive child protection strategy;

"(11) the Federal government should provide leadership and assist communities in their child protection efforts by—

"(A) promoting coordinated planning among all levels of government;

"(B) generating and sharing knowledge relevant to child protection, including the development of models for service delivery;

"(C) strengthening the capacity of States to assist communities;

"(D) allocating sufficient financial resources to assist States in implementing community plans;

"(E) helping communities to carry out their child protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

"(F) providing leadership to end the abuse and neglect of the nation's children and youth.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 1, the following new item:

"Sec. 2. Findings.".

SEC. 3. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

(a) IN GENERAL.—Section 102 (42 U.S.C. 5102) is amended by adding at the end thereof the following new subsection:

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for fiscal year 1992.".

Subtitle A—General State Program

SEC. 110. GRANT PROGRAM FOR CHILD ABUSE NEGLECT PREVENTION AND TREATMENT.

Section 107 (42 U.S.C. 5106a) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary, acting through the Center, shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake and screening of reports of abuse and neglect through the improvement of the receipt of information, decisionmaking, public awareness, and training of staff;

"(2)(A) investigating such reports through improving response time, decisionmaking, referral to services, and training of staff;

"(B) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(C) improving legal preparation and representation;

"(3) case management and delivery services provided to families through the improvement of response time in service provision, improving the training of staff, and increasing the numbers of families to be served;

"(4) enhancing the general child protective system by improving assessment tools, automation systems that support the program, information referral systems, and the overall training of staff to meet minimum competencies; or

"(5) developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs."; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall annually submit a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. The plan shall describe the current system capacity of the State in the relevant area or areas from which to assess programs with grant funds and specify the manner in which funds from the State's programs will be used to make improvements. The plan required under this subsection shall contain, with respect to each area in which the State intends to use funds from the grant, the following information with respect to the State:

"(1) INTAKE AND SCREENING.—

"(A) STAFFING.—The number of child protective service workers responsible for the intake and screening of reports of abuse and neglect relative to the number of reports filed in the previous year.

"(B) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in report-taking, screening, decisionmaking, and referral for investigation.

"(C) PUBLIC EDUCATION.—An assessment of the State or local agency's public education program with respect to—

"(i) what is child abuse and neglect;

"(ii) who is obligated to report and who may choose to report; and

"(iii) how to report.

"(2) INVESTIGATION OF REPORTS.—

"(A) RESPONSE TIME.—The number of reports of child abuse and neglect filed in the State in the previous year where appropriate, the agency response time to each with respect to initial investigation, the number of substantiated and unsubstantiated reports, and where appropriate, the response time with respect to the provision of services.

"(B) STAFFING.—The number of child protective service workers responsible for the investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(C) INTERAGENCY COORDINATION.—A description of the extent to which interagency coordination processes exist and are available Statewide, and whether protocols or formal policies governing interagency relationships exist in the following areas—

"(i) multidisciplinary investigation teams among child welfare and law enforcement agencies;

"(ii) interagency coordination for the prevention, intervention and treatment of child abuse and neglect among agencies responsible for child protective services, criminal justice, schools, health, mental health, and substance abuse; and

"(iii) special interagency child fatality review panels, including a listing of those agencies that are involved.

"(D) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as investigation, risk assessment, court preparation, and referral to and provision of services.

"(E) LEGAL REPRESENTATION.—A description of the State agency's current capacity for legal representation, including the manner in which workers are prepared and trained for court preparation and attendance, including procedures for appealing substantiated reports of abuse and neglect.

"(3) CASE MANAGEMENT AND DELIVERY OF ONGOING FAMILY SERVICES.—For children for whom a report of abuse and neglect has been substantiated and the children remain in their own homes and are not currently at risk of removal, the State shall assess the activities and the outcomes of the following services:

"(A) RESPONSE TIME.—The number of cases opened for services as a result of investigation of child abuse and neglect reports filed in the previous year, including the response time with respect to the provision of services from the time of initial report and initial investigation.

"(B) STAFFING.—The number of child protective service workers responsible for providing services to children and their families in their own homes as a result of investigation of reports of child abuse and neglect.

"(C) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as risk assessment, court preparation, provision of services and determination of case disposition, including how such training is evaluated for effectiveness.

"(D) INTERAGENCY COORDINATION.—The extent to which treatment services for the child and other family members are coordinated with child welfare, social service, mental health, education, and other agencies.

"(4) GENERAL SYSTEM ENHANCEMENT.—

"(A) AUTOMATION.—A description of the capacity of current automated systems for tracking reports of child abuse and neglect from intake through final disposition and how personnel are trained in the use of such system.

"(B) ASSESSMENT TOOLS.—A description of whether, how, and what risk assessment tools are used for screening reports of abuse and neglect, determining whether child abuse and neglect has occurred, and assessing the appropriate level of State agency protection and intervention, including the extent to which such tool is used statewide and how workers are trained in its use.

"(C) INFORMATION AND REFERRAL.—A description and assessment of the extent to which a State has in place—

"(i) information and referral systems, including their availability and ability to link families to various child welfare services such as homemakers, intensive family-based services, emergency caretakers, home health visitors, daycare and services outside the child welfare system such as housing, nutrition, health care, special education, income support, and emergency resource assistance; and

"(ii) efforts undertaken to disseminate to the public information concerning the problem of child abuse and neglect and the prevention and treatment programs and services available to combat instances of such abuse and neglect.

"(D) STAFF CAPACITY AND COMPETENCE.—An assessment of basic and specialized training needs of all staff and current training provided staff. Assessment of the competencies of staff with respect to minimum knowledge in areas such as child development, cultural and ethnic diversity, functions and relationship of other systems to child protective services and in specific skills such as interviewing, assessment, and decisionmaking relative to the child and family, and the need for training consistent with such minimum competencies.

"(5) INNOVATIVE APPROACHES.—A description of—

"(A) research and demonstration efforts for developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs, including the interagency efforts at the State level; and

"(B) the manner in which proposed research and development activities build on existing capacity in the programs being addressed.".

SEC. 111. GRANT PROGRAM FOR INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.

Section 109 (42 U.S.C. 5106c) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"SEC. 109. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.";

(2) in subsection (a), by striking out paragraphs (1) and (2), and inserting in lieu thereof the following new paragraphs:

"(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

"(2) the handling of cases of suspected child abuse or neglect related fatalities; and

"(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.";

(3) in subsection (b)—

(A) by striking out "and 107(e) or receive a waiver under section 107(c)" in paragraph (1);

(B) by striking out "and" at the end of paragraph (3);

(C) by inserting "annually" after "submit" in paragraph (4); and

(D) by striking out the period at the end thereof and inserting the following: "; and

"(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (4) of subsection (a).";

(4) in subsection (c)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting ", and maintain" after "designate"; and

(ii) by striking out "child abuse" and inserting in lieu thereof "child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities";

(B) by striking out "judicial and legal officers", in subparagraph (B) and inserting in lieu thereof "judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect";

(C) by inserting before the semicolon in subparagraph (C), the following: ", including both attorneys for children and, where such programs are in operation, court appointed special advocates";

(D) by striking out subparagraph (E); and

(E) by striking out "handicaps;" in subparagraph (F), and inserting in lieu thereof "disabilities; and"; and

"(G) by striking out subparagraph (G) and redesignating subparagraph (H) as subparagraph (G);

(5) in subsection (d)—

(A) by striking out "the State task force shall" in the matter preceding paragraph (1), and inserting in lieu thereof "and at three year intervals thereafter, the State task force shall comprehensively";

(B) by striking out "judicial" and all that follows in paragraph (1), and inserting in lieu thereof the following: "both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal;";

(C) by inserting "policy and training" before "recommendations" in paragraph (2); and

(6) in subsection (e)(1)—

(A) by striking out "child abuse" and all that follows through "child victim" in subparagraph (A), and inserting in lieu thereof the following: "child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family";

(B) by striking out "improve the rate" and all that follows through "abuse cases" in subparagraph (B), and inserting in lieu thereof the following: "improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children"; and

(C) in subparagraph (C)—

(i) by inserting ", protocols" after "regulations"; and

(ii) by inserting "and exploitation" after "sexual abuse".

Subtitle B—Community-Based Prevention Grants

SEC. 121. TITLE HEADING AND PURPOSE.

(a) TITLE HEADING.—The heading for title II (42 U.S.C. 5116 et seq.) is amended to read as follows:

"TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS".

(b) PURPOSE.—Section 201 (42 U.S.C. 5116) is amended—

(1) in the section heading to read as follows:

"SEC. 201. PURPOSES."; and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"It is the purpose of this title, through the provision of community-based child abuse and neglect prevention grants, to assist States in supporting child abuse and neglect prevention activities.".

SEC. 122. DEFINITIONS.

Section 202 (42 U.S.C. 5116a) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof; and

(2) in paragraph (2), by striking out the period and inserting in lieu thereof "; and".

SEC. 123. STATE ELIGIBILITY.

Section 204 (42 U.S.C. 5116c) is amended—

(1) by striking out "or other funding mechanism"; and

(2) by striking out "which is available only for child" and all that follows through the end thereof, and inserting "which includes (in whole or in part) legislative provisions making funding available only for the broad range of child abuse and neglect prevention activities.".

SEC. 124. LIMITATIONS.

Section 205 (42 U.S.C. 5116d) is amended—

(1) by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph:

"(1) ALLOTMENT FORMULA.—

"(A) IN GENERAL.—Amounts appropriated to provide grants under this title shall be allotted among eligible States in each fiscal year so that—

"(i) 50 percent of the total amount appropriated is allotted among each State based on the number of children under the age of 18 in each such State, except that each State shall receive not less than $30,000; and

"(ii) the remaining 50 percent of the total amount appropriated is allotted in an amount equal to 25 percent of the total amount collected by each such State, in the fiscal year prior to the fiscal year for which the allotment is being determined, for the children's trust fund of the State for child abuse and neglect prevention activities.

"(B) USE OF AMOUNTS.—Not less than 50 percent of the amount of a grant made to a State under this title in each fiscal year shall be utilized to support community-based prevention programs as authorized in section 204(a), except that this subparagraph shall not become applicable until amounts appropriated under section 203(b) exceed $10,000,000."; and

(2) in subsection (b)(1)—

(A) by striking out "trust fund advisory board" and all that follows through "section 101" in subparagraph (A) and inserting in lieu thereof "advisory board established under section 102";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (F) and (G), respectively; and

(C) by inserting after subparagraph (A), the following new subparagraphs:

"(B) demonstrate coordination with other child abuse and neglect prevention activities and agencies at the State and local levels;

"(C) demonstrate the outcome of services and activities funded under this title;

"(D) provide evidence that Federal assistance received under this title has been supplemented with non-Federal public and private assistance (including in-kind contributions) at the local level (Federal assistance expended in support of activities authorized under paragraphs (1), (2), and (3) of section 204 shall be supplemented by State assistance);

"(E) demonstrate the extent to which funds received under this title are used to support community prevention activities in underserved areas, in which case the supplemental support required under subparagraph (D) shall be waived for the first 3 years in which assistance is provided to a grantee described in this subparagraph;".

Subtitle C—Certain Preventive Services Regarding Children of Homeless Families or Families at Risk of Homelessness

SEC. 131. CERTAIN PREVENTIVE SERVICES REGARDING CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 302(b) (42 U.S.C. 5118a(b)) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) by redesignating paragraph (4) as paragraph (6); and

(3) by inserting after paragraph (3), the following new paragraphs:

"(4) the provision of emergency housing-related assistance necessary to prevent the placement of children in out-of-home care, to facilitate the reunification of children with their families, and to enable the discharge of youths not less than 16 years of age from such area, including assistance in meeting the costs of—

"(A) rent or utility arrears to prevent an eviction or termination of utility services;

"(B) security and utility deposits, first month's rent, and basic furnishings; and

"(C) other housing-related assistance;

"(5) the provision to families, and to youths not less than 16 years of age who are preparing to be discharged from such care, of temporary rent subsidies necessary to prevent the initial or prolonged placement of children in out-of-home care, which subsidies are provided in an amount not exceeding 70 percent of the local fair market rental value and are provided for a period not to exceed 180 days; and".

Subtitle D—Child Abuse Treatment Improvements Grants

SEC. 141. ESTABLISHMENT OF PROGRAM.

The Act is amended by adding at the end thereof the following new title:

"TITLE IV—MISCELLANEOUS PROGRAMS

"SEC. 401. CHILD ABUSE TREATMENT IMPROVEMENTS GRANT PROGRAM.

"(a) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this section as the 'Secretary'), acting through the Administration for Children, Youth and Families, may award grants to eligible entities to improve the treatment of children exposed to abuse or neglect and the families of such children, particularly when such children have been placed in out-of-home care.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall—

"(1) be a State or local public or nonprofit private entity;

"(2) be responsible for administering or providing child welfare services (including out-of-home services); and

"(3) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require including the information required under subsection (c).

"(c) CONTENTS OF APPLICATION.—An application submitted by an entity under subsection (b)(4) shall contain—

"(1) a description of the proposed program to be established, implemented or improved using amounts received under a grant, including the specific activities to be undertaken, the agencies that will be involved, the process that has been established for evaluating such activities, and the nature of any innovations proposed;

"(2) evidence of the need that the activity or program, to be conducted using amounts received under the grant, will address;

"(3) assurances that amounts received under the grant will be used to supplement, not supplant, existing funds provided by the State for child welfare purposes;

"(4) assurances that the applicant entity will provide not less than 20 percent of the total amounts needed to pay the costs associated with the program funded under such grant;

"(5) assurances that the applicant entity will provide information to the Secretary concerning the progress and outcome of the program to be funded under such grant;

"(6) a description of the procedures to be used to disseminate the findings derived from the program to be funded under such grant within the State;

"(7) a description of the extent to which multiple agencies will be involved in the design, development, operation, and staffing of the program to be funded under such grant; and

"(8) and other information determined appropriate by the Secretary.

"(d) USE OF FUNDS.—An entity may use amounts provided under a grant awarded under this section to—

"(1)(A) develop models of out-of-home care that are designed to promote the reunification of children with their families, including training and support components for foster parents to enable such parents to assist the birthparents with reunification efforts, except that such efforts must be determined to be in the best interest of the child;

"(B) develop comprehensive service approaches for child out-of-home care and for the families of such children, specifically focused on reunification; and

"(C) establish activities that are designed to promote visitation of parents and children, such as the establishment of neutral settings for structured visits between biological parents and children in care;

"(2) develop activities that are designed to support relatives caring for children who have been abused or neglected or children from families where substance abuse is present;

"(3) enhance the reimbursement and other support provided to foster parents, including relatives, to promote better recruitment and retention of foster parents;

"(4) develop activities and programs designed to—

"(A) promote the healthy physical, social, emotional, and educational development of children in out-of-home care and under child abuse preventive services supervision, including—

"(i) the conduct of comprehensive, multidisciplinary assessments of the physical, social, emotional, and educational development of such children, with particular attention given to the needs and strengths of the families of such children; and

"(ii) the development of services to meet such needs which involve multiple service agencies and alternative support systems within the community;

"(B) provide training for foster parents to address the physical, social, emotional, and educational needs of the children in their care; or

"(C) provide special programs to assist children with academic or developmental problems;

"(5) develop and implement programs that provide mentors, who are adults from the community or who are former foster youths, to youths in out-of-home care, in order to address their special needs, increase self esteem, and provide role models;

"(6) provide incentives that may be necessary to establish and recruit foster family homes for special populations, including children who are medically fragile or have other special physical, mental, and emotional disabilities, adolescent mothers and their children who are in care, and children who have been sexually abused;

"(7) hire staff with specialized knowledge in the areas of substance abuse, child development, education, health care, and adolescents, to provide support and act as a resource for caseworkers working with children and families with special needs in these areas; and

"(8) conduct other activities as the Secretary determines appropriate.

"(e) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section the Secretary shall consider—

"(1) the geographic dispersion of the applicants for such grants;

"(2) the likelihood that the proposed service approach of the applicant would be transferable to other sites; and

"(3) the need for variety in the problems to be addressed by the applicants and in the models used to address similar problems.

"(f) ADMINISTRATION.—In administering the grant program established under this section the Administration for Children, Youth and Families shall—

"(1) require grantees to submit annual reports concerning the projects funded under such grants and a final report assessing the outcome of such projects;

"(2) arrange for the dissemination of project results through such means as the child welfare resource centers and the National Clearinghouse on Child Abuse and Neglect; and

"(3) provide for the evaluation of projects funded under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $30,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.".

SEC. 142. TECHNICAL AMENDMENT.

The Act is amended in the table of contents in section 1(b) by adding at the end thereof the following new items:

"TITLE IV—MISCELLANEOUS PROGRAMS

"Sec. 401. Child abuse treatment improvements grant program.".

Subtitle E—Reauthorization of Certain Programs

SEC. 151. EMERGENCY GRANT PROGRAM.

Section 107A(e) (42 U.S.C. 5106a-1(e)) is amended by striking out "and such sums" and all that follows through the end thereof and inserting "such sums as may be necessary for fiscal year 1991, $40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 152. GENERAL GRANT PROGRAMS.

Subsection (a) of section 114 (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title, except for section 107A, $150,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994. Of amounts appropriated under this section in any fiscal year—

"(1) 33⅓ percent of such amounts shall be made available in each such fiscal year for activities under sections 104, 105 and 106; and

"(2) 66⅔ percent of such amounts shall be made available in each such fiscal year for activities under sections 107 and 108.

A State may spend the entire amount provided to such State under this title in a fiscal year for the purposes described in subsection (a)(5) of section 107, except that subsequent to the date on which the amount appropriated and available under paragraph (2) exceeds $40,000,000, such State shall not spend in excess of 15 percent of such amounts for the purposes described in subsection (a)(5) of section 107.".

SEC. 153. COMMUNITY-BASED PREVENTION GRANTS.

Section 203 (42 U.S.C. 5116b) is amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) as subsection (b); and

(3) in subsection (b) (as so redesignated), by striking out "such sums" and all that follows through the period and inserting in lieu thereof "$50,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.".

SEC. 154. PREVENTIVE SERVICES FOR CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS.

Section 306(a) (42 U.S.C. 5118e(a)) is amended by inserting ", and such sums as may be necessary in each of the fiscal years 1993 and 1994" before the period.

Subtitle F—Miscellaneous Provisions

SEC. 161. REPORT CONCERNING VOLUNTARY REPORTING SYSTEM.

Not later than April 30, 1992, and annually thereafter, the Secretary of Health and Human Services, acting through the Director of the National Center on Child Abuse and Neglect, shall prepare and submit to the appropriate committees of Congress a report concerning the measures being taken to assist States in implementing a voluntary reporting system for child abuse and neglect. Such reports shall contain information concerning the extent to which the child abuse and neglect reporting systems developed by the States are coordinated with the automated foster care and adoption reporting system required under section 479 of the Social Security Act.

TITLE II—CHILDREN WITH DISABILITIES TEMPORARY CARE

SEC. 201. SHORT TITLE.

This title may be cited as the "Children With Disabilities Temporary Care Reauthorization Act of 1991".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206 of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended in the first sentence, by inserting before the period the following: ", and $20,000,000 for each of the fiscal years 1992 through 1994".

SEC. 203. TECHNICAL AMENDMENT.

Section 205(a)(1)(A)(vi) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117c(a)(1)(A)(vi)) is amended by striking out "(vi)" and inserting in lieu thereof "(v)".

SEC. 204. EFFECTIVE DATE.

The amendments made by this title shall take effect October 1, 1991, or on the date of the enactment of this Act, whichever occurs later.

TITLE III—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO FAMILY VIOLENCE

SEC. 301. REFERENCES.

Except as otherwise provided, whenever in this title 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 Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. EXPANSION OF PURPOSE.

Section 302 (42 U.S.C. 10401) is amended—

(1) in paragraph (1)—

(A) by striking out "demonstration the effectiveness of assisting" and inserting in lieu thereof "assist"; and

(B) by striking out "to prevent" and inserting in lieu thereof "to increase public awareness about and prevent"; and

(2) in paragraph (2), by inserting ", courts, legal, social service, and health care professionals" after "(including law enforcement agencies".

SEC. 303. EXPANSION OF STATE GRANT PROGRAM.

Section 303(a) (42 U.S.C. 10402(a)) is amended—

(1) in paragraph (1), by striking out "demonstration grants" and inserting in lieu thereof "grants"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" in the matter preceding subparagraph (A), and inserting in lieu thereof "grant";

(B) by striking out "demonstration grant" in subparagraph (A), and inserting in lieu thereof "grant"; and

(C) by striking out "particularly those projects" in subparagraph (B)(ii) and all that follows through the end thereof, and inserting in lieu thereof the following: "the primary purpose of which is to operate shelters for victims of family violence and their dependents, and those which provide counseling, advocacy, and self-help services to victims and their children.".

SEC. 304. INVOLVEMENT IN PLANNING.

Section 303(a)(2)(C) (42 U.S.C. 10402(a)(2)(C)) is amended by inserting "State domestic violence coalitions" after "involve".

SEC. 305. CONFIDENTIALITY ASSURANCES.

Section 303(a)(2)(E) (42 U.S.C. 10402(a)(2)(E)) is amended by striking out "assurances that procedures will be developed" and inserting in lieu thereof "documentation that procedures have been developed, and implemented including copies of the policies and procedure,".

SEC. 306. PROCEDURE FOR EVICTING VIOLENT SPOUSES.

Section 303(a)(2)(F) (42 U.S.C. 10402(a)(2)(F)) is amended to read as follows:

"(F) provide documentation to the Secretary that the State has a law or procedure that has been implemented for the eviction of an abusing spouse from a share household;".

SEC. 307. PENALTIES FOR NONCOMPLIANCE.

Section 303(a)(3) (42 U.S.C. 10402(c)) is amended—

(1) by inserting "a 6-month period providing an" before "opportunity"; and

(2) by adding at the end thereof the following new sentences: "The Secretary shall provide such notice within 45 days of the date of the application if any of the provisions of subsection (a)(2) have not been satisfied in such application. If the State has not corrected the deficiencies in such application within the 6-month period following the receipt of the Secretary's notice of intention to disapprove, the Secretary shall withhold payment of any grant funds to such State until the date that is 30 days prior the end of the fiscal year for which such grant funds are appropriated or until such time as the State provides documentation that the deficiencies have been corrected, whichever occurs first. State Domestic Violence Coalitions shall be permitted to challenge a determination as to whether a grantee is in compliance with, or to seek the enforcement of, the eligibility requirements of subsection (a)(2), except that no funds made available to State Domestic Violation Coalitions under section 311 shall be used to challenge a determination as to whether a grantee is in compliance with, or to seek the enforcement of, the eligibility requirements of subsection (a)(2).".

SEC. 308. GRANTS TO INDIAN TRIBES.

Section 303(b) (42 U.S.C. 10402(b)) is amended—

(1) in paragraph (1)—

(A) by striking out "is authorized to make demonstration grants" and inserting in lieu thereof ", from amounts appropriated to carry out this section, shall make available not less than 10 percent of such amounts to make grants";

(B) by striking out "and tribal" and inserting in lieu thereof ", tribal"; and

(C) by inserting "and nonprofit private organizations approved by an Indian Tribe for the operation of a family violence shelter on a Reservation", after "tribal organizations"; and

(2) in paragraph (2)—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by striking out "and (E)" and inserting in lieu thereof "(E) and (F)"; and

(C) by adding at the end thereof the following new sentence: "No entity eligible to submit and application under paragraph (1) shall be prohibited from making an application during any fiscal year for which funds are available because such entity has not previously applied or received funding under this section.".

SEC. 309. MAXIMUM CEILING.

Subsection (c) of section 303 (42 U.S.C. 10402(c)) is repealed, and subsections (d) through (g) are redesignated as subsections (c) through (f), respectively.

SEC. 310. GRANTS TO ENTITIES OTHER THAN STATES; LOCAL SHARE.

The section 303(e) (42 U.S.C. 10402(f)) (as so redesignated by section 309) is amended—

(1) in the first sentence—

(A) by striking out "demonstration grant" and inserting in lieu thereof "grant";

(B) by inserting "or an Indian Tribe" after "State";

(C) by striking out "35 percent" and inserting in lieu thereof "20 percent";

(D) by striking out "55 percent" and inserting in lieu thereof "35 percent";

(E) by striking out "65 percent in the third such year" and inserting in lieu thereof "and, for any year thereafter"; and

(2) in the second sentence, by striking out "50 percent" and inserting in lieu thereof "25 percent".

SEC. 311. SHELTER AND RELATED ASSISTANCE.

(a) SHELTER.—Section 303(f) (42 U.S.C. 10402(g)) (as so redesignated by section 309) is amended—

(1) by striking out "60 percent" and inserting in lieu thereof "70 percent"; and

(2) by inserting before the period the following "as defined in section 309(4). Not less than 15 percent of the funds distributed under subsection (a) or (b) shall be distributed for the purpose of providing related assistance as defined under section 309(5)(A), and not more than 10 percent for the purpose of providing family violence prevention services as defined under section 309(5)(B)".

(b) DEFINITION.—Paragraph (5) of section 309 (42 U.S.C. 10408(5)) is amended to read as follows:

"(5) The term 'related assistance' means the provision of direct assistance to victims of family violence and their dependents for the purpose of preventing further violence, helping such victims to gain access to civil and criminal courts and other community services, facilitating the efforts of such victims to make decisions concerning their lives in the interest of safety, and assisting such victims in healing from the effects of the violence. Related assistance—

"(A) shall include—

"(i) counseling with respect to family violence, counseling by peers individually or in groups, and referral to community social services;

"(ii) transportation, technical assistance with respect to obtaining financial assistance under Federal and State programs, and referrals for appropriate health-care services (including alcohol and drug abuse treatment), but shall not include reimbursement for any health-care services;

"(iii) legal advocacy to provide victims with information and assistance through the civil and criminal courts, and legal assistance; or

"(iv) children's counseling and support services, and child care services for children who are victims of family violence or the dependents of such victims; and

"(B) may include prevention services such as outreach and prevention services for victims and their children, employment training, parenting and other educational services for victims and their children, preventive health services within domestic violence programs (including nutrition, disease prevention, exercise, and prevention of substance abuse), domestic violence prevention programs for school age children, family violence public awareness campaigns, and violence prevention counseling services to abusers.".

SEC. 312. ALLOTMENT OF FUNDS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended—

(1) by striking out "whichever is the greater of the following amounts: one-half of"; and

(2) by striking out "$50,000" and inserting in lieu thereof "$200,000, whichever is the lesser amount".

SEC. 313. SECRETARIAL RESPONSIBILITIES.

Section 305(b)(2)(A) (42 U.S.C. 10404(b)(2)(A)) is amended—

(1) by striking out "into the causes of family violence";

(2) by inserting "most effective" before "prevention";

(3) by striking out "and (ii)" and inserting in lieu thereof "(ii)"; and

(4) by inserting before "and (B)" the following: "(iii) the effectiveness of providing safety and support to maternal and child victims of family violence as a way to eliminate the abuse experienced by children in such situations, (iv) identification of intervention approaches to child abuse prevention services which appear to be successful in preventing child abuse where both mother and child are abused, (v) effective and appropriate treatment services for children where both mother and child are abused, and (vi) the individual and situational factors leading to the end of violent and abusive behavior by persons who commit acts of family violence, including such factors as history of previous violence and the legal and service interventions received,".

SEC. 314. EVALUATION AND REPORT TO CONGRESS.

Section 306 (42 U.S.C. 10405) is amended—

(1) by inserting "and every two years thereafter," after "the first time after the date of the enactment of this title,";

(2) by striking out "assurances" and inserting in lieu thereof "documentation"; and

(3) by striking out "303(a)(2)(F)" and inserting in lieu "303(a)(2)(B) through 303(a)(2)(F)".

SEC. 315. FUNDING FOR TECHNICAL ASSISTANCE CENTERS.

Section 308 (42 U.S.C. 10407) is amended to read as follows:

"SEC. 308. INFORMATION AND TECHNICAL ASSISTANCE CENTERS.

"(a) PURPOSE AND GRANTS.—

"(1) PURPOSE.—It is the purpose of this section to provide resource information, training, and technical assistance to Federal, State, and Indian tribal agencies, as well as to local domestic violence programs and to other professionals who provide services to victims of domestic violence.

"(2) GRANTS.—From the amounts appropriated under this title, the Secretary shall award grants to private nonprofit organizations for the establishment and maintenance of one national resource center (as provided for in subsection (b)) and not to exceed six special issue resource centers (as provided for in subsection (c)) focusing on one or more issues of concern to domestic violence victims.

"(b) NATIONAL RESOURCE CENTER.—The national resource center established under subsection (a)(2) shall offer resource, policy and training assistance to Federal, State, and local government agencies, to domestic violence service providers, and to other professionals and interested parties on issues pertaining to domestic violence, and shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics and analyses thereof relating to the incidence and prevention of family violence (particularly the prevention of repeated incidents of violence) and the provision of immediate shelter and related assistance.

"(c) SPECIAL ISSUE RESOURCE CENTERS.—The special issue resource centers established under subsection (a)(2) shall provide information, training and technical assistance to State and local domestic violence service providers, and shall specialize in at least one of the following areas of domestic violence service, prevention, or law:

"(1) Criminal justice response to domestic violence, including court-mandated abuser treatment.

"(2) Improving the response of Child Protective Service agencies to battered mothers of abused children.

"(3) Child custody issues in domestic violence cases.

"(4) The use of the self-defense plea by domestic violence victims.

"(5) Improving interdisciplinary health care responses and access to health care resources for victims of domestic violence.

"(6) Improving access to and the quality of legal representation for victims of domestic violence in civil litigation.

"(d) ELIGIBILITY.—To be eligible to receive a grant under this section an entity shall be a private nonprofit organizations that—

"(1) focuses primarily on domestic violence;

"(2) provides documentation to the Secretary demonstrating experience working directly on issues of domestic violence, particularly in the specific subject area for which it is applying;

"(3) include on its advisory boards representatives from domestic violence programs in the region who are geographically and culturally diverse; and

"(4) demonstrate the strong support of domestic violence advocates from across the country and the region for their designation as the national or a special issue resource center.

"(e) REPORTING.—Not later than 6 months after receiving a grant under this section, a grantee shall prepare and submit a report to the Secretary that evaluates the effectiveness of the use of amounts received under such grant by such grantee and containing such additional information as the Secretary may prescribe.

"(f) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations.

"(g) FUNDING.—From the amounts appropriated under section 310, not in excess of 5 percent of such amount for each fiscal year shall be used for the purpose of making grants under this section.".

SEC. 316. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended to read as follows:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of sections 303 through 309 and section 313, $85,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(b) SECTION 303(a) AND (b).—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 80 percent shall be used for making grants under subsection 303(a), and not less than 10 percent shall be used for the purpose of carrying out section 303(b).

"(c) SECTION 308.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 5 percent shall be used by the Secretary for making grants under section 308.".

SEC. 317. LAW ENFORCEMENT TRAINING AND TECHNICAL ASSISTANCE GRANTS AND CONTRACTS AND GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

Section 311 (42 U.S.C. 10410) is amended to read as follows:

"SEC. 311. GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

"(a) IN GENERAL.—The Secretary shall award grants for the funding of State domestic violence coalitions. Such coalitions shall further the purposes of domestic violence intervention and prevention through activities, including—

"(1) working with judicial and law enforcement agencies to encourage appropriate responses to domestic violence cases and examine issues including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation when domestic violence is involved;

"(C) the use of mandatory arrests of accused offenders;

"(D) the discouragement of dual arrests;

"(E) the adoption of aggressive and vertical prosecution policies and procedures;

"(F) the use of mandatory requirements for presentence investigations;

"(G) the length of time taken to prosecute cases or reach plea agreements;

"(H) the use of plea agreements;

"(I) the consistency of sentencing, including comparisons of domestic violence crimes with other violent crimes;

"(K) the restitution of victims;

"(L) the use of training and technical assistance to law enforcement and court officials and other professionals;

"(M) the reporting practices of, and significance to be accorded to, prior convictions (both felony and misdemeanor) and protection orders;

"(N) the use of interstate extradition in cases of domestic violence crimes;

"(O) the use of statewide and regional planning; and

"(P) any other matters as the Secretary and the State domestic violence coalitions believe merit investigations;

"(2) work with family law judges, Child Protective Services agencies, and children's advocates to develop appropriate responses to child custody and visitation issues in domestic violence cases as well as cases where domestic violence and child abuse are both present, including—

"(A) the inappropriateness of mutual protection orders;

"(B) the prohibition of mediation where domestic violence is involved;

"(C) the inappropriate use of marital or conjoint counseling in domestic violence cases;

"(D) the use of training and technical assistance for family law judges and court personnel;

"(E) the presumption of custody to domestic violence victims;

"(F) the use of comprehensive protection orders to grant fullest protections possible to victims of domestic violence, including temporary support and maintenance;

"(G) the development by Child Protective Service of supportive responses that enable victims to protect their children;

"(H) the implementation of supervised visitations that do not endanger victims and their children; and

"(I) the possibility of permitting domestic violence victims to remove children from the State when the safety of the children or the victim is at risk;

"(3) conduct public education campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence; and

"(4) participate in planning and monitoring of the distribution of grants and grant funds to their State under section 303(a).

"(b) ELIGIBILITY.—To be eligible for a grant under this section an entity shall be a statewide nonprofit State domestic violence coalition whose—

"(1) membership includes representatives from a majority of the programs for victims of domestic violence in the State;

"(2) board membership is representative of such programs; and

"(3) purpose is to provide services, community education, and technical assistance to such programs to establish and maintain shelter and related services for victims of domestic violence and their children.

"(c) ALLOTMENT OF FUNDS.—From amounts appropriated under this section for each fiscal year, the Secretary shall allot to each State, the District of Columbia, the Commonwealth of Puerto Rico, and the combined U.S. Territories an amount equal to 1/53 of the amount appropriated for such fiscal year. For purposes of this section, the term 'combined U.S. Territories' means Guam, American Samoa, the U.S. Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and shall not receive less than 1.5 percent of the funds appropriated for each fiscal year.

"(d) PROHIBITION ON LOBBYING.—No funds made available to entities under this section shall be used, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State or local agency, or to undertake to influence the passage or defeat of any legislation by Congress, or by any State or local legislative body, or State proposals by initiative petition, except that the representatives of the entity may testify or make other appropriate communication—

"(1) when formally requested to do so by a legislative body, a committee, or a member thereof; or

"(2) in connection with legislation or appropriations directly affecting the activities of the entity.

"(e) REPORTING.—Each State domestic violence coalition receiving amounts under this section shall submit a report to the Secretary describing the coordination, training and technical assistance and public education services performed with such amounts and evaluating the effectiveness of those services.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each fiscal year to be used to award grants under this section.

"(g) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing this section.".

SEC. 318. REGULATIONS.

Section 312(a) (42 U.S.C. 10409(a)) is amended by adding at the end thereof the following new sentence:

"Not later than 90 days after the date of enactment of this sentence, the Secretary shall publish proposed regulations implementing sections 303, 308, and 314. Not later than 120 days after such date of enactment, the Secretary shall publish final regulations implementing such sections.".

SEC. 319. FAMILY MEMBER ABUSE INFORMATION AND DOCUMENTATION.

Section 313(1) (42 U.S.C. 10409(1)) is amended by striking out "characteristics relating to family violence" and inserting in lieu thereof "develop data on the number of victims of family violence and their dependents who are homeless or institutionalized as a result of the violence and abuse they have experienced".

SEC. 320. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

The Act is amended by adding at the end thereof the following new section:

"SEC. 314. GRANTS FOR PUBLIC INFORMATION CAMPAIGNS.

"(a) IN GENERAL.—The Secretary may make grants to public or private nonprofit entities to provide public information campaigns regarding domestic violence through the use of public service announcements and informative materials that are designed for print media, billboards, public transit advertising, electronic broadcast media, and other vehicles for information that shall inform the public concerning domestic violence.

"(b) APPLICATION.—No grant, contract, or cooperative agreement shall be made or entered into under this section unless an application that meets the requirements of subsection (c) has been approved by the Secretary.

"(c) REQUIREMENTS.—An application submitted under subsection (b) shall—

"(1) provide such agreements, assurances, and information, be in such form and be submitted in such manner as the Secretary shall prescribe through notice in the Federal Register, including a description of how the proposed public information campaign will target the population at risk, including pregnant women;

"(2) include a complete description of the plan of the application for the development of a public information campaign;

"(3) identify the specific audiences that will be educated, including communities and groups with the highest prevalence of domestic violence;

"(4) identify the media to be used in the campaign and the geographic distribution of the campaign;

"(5) describe plans to test market a development plan with a relevant population group and in a relevant geographic area and give assurance that effectiveness criteria will be implemented prior to the completion of the final plan that will include an evaluation component to measure the overall effectiveness of the campaign;

"(6) describe the kind, amount, distribution, and timing of informational messages and such other information as the Secretary may require, with assurances that media organizations and other groups with which such messages are placed will not lower the current frequency of public service announcements; and

"(7) contain such other information as the Secretary may require.

"(d) USE.—A grant, contract, or agreement made or entered into under this section shall be used for the development of a public information campaign that may include public service announcements, paid educational messages for print media, public transit advertising, electronic broadcast media, and any other mode of conveying information that the Secretary determines to be appropriate.

"(e) CRITERIA.—The criteria for awarding grants shall ensure that an applicant—

"(1) will conduct activities that educate communities and groups at greatest risk;

"(2) has a record of high quality campaigns of a comparable type; and

"(3) has a record of high quality campaigns that educate the population groups identified as most at risk.".

SEC. 321. MODEL STATE LEADERSHIP INCENTIVE GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

The Act (as amended by section 320) is further amended by adding at the end thereof the following new section:

"SEC. 315. MODEL STATE LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION.

"(a) IN GENERAL.—The Secretary, in cooperation with the Attorney General, shall award grants to not less than 10 States to assist such States in becoming model demonstration States and in meeting the costs of improving State leadership concerning activities that will—

"(1) increase the number of prosecutions for domestic violence crimes;

"(2) encourage the reporting of incidences of domestic violence; and

"(3) facilitate 'arrests and aggressive' prosecution policies.

"(b) DESIGNATION AS MODEL STATE.—To be designated as a model State under subsection (a), a State shall have in effect—

"(1) a law that requires mandatory arrest of a person that police have probable cause to believe has committed an act of domestic violence or probable cause to believe has violated an outstanding civil protection order;

"(2) a law or policy that discourages 'dual' arrests;

"(3) statewide prosecution policies that—

"(A) authorize and encourage prosecutors to pursue cases where a criminal case can be proved, including proceeding without the active involvement of the victim if necessary; and

"(B) implement model projects that include either—

"(i) a 'no-drop' prosecution policy; or

"(ii) a vertical prosecution policy; and

"(C) limit diversion to extraordinary cases, and then only after an admission before a judicial officer has been entered;

"(4) statewide guidelines for judges that—

"(A) reduce the automatic issuance of mutual restraining or protective orders in cases where only one spouse has sought a restraining or protective order;

"(B) discourage custody or joint custody orders by spouse abusers; and

"(C) encourage the understanding of domestic violence as a serious criminal offense and not a trivial dispute;

"(5) develop and disseminate methods to improve the criminal justice system's response to domestic violence to make existing remedies as easily available as possible to victims of domestic violence, including reducing delay, eliminating court fees, and providing easily understandable court forms.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—In addition to the funds authorized to be appropriated under section 310, there are authorized to be appropriated to make grants under this section $25,000,000 for fiscal year 1992 and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) LIMITATION.—Funds shall be distributed under this section so that no State shall receive more than $2,500,000 in each fiscal year under this section.

"(3) DELEGATION AND TRANSFER.—The Secretary shall delegate to the Attorney General the Secretary's responsibilities for carrying out this section and shall transfer to the Attorney General the funds appropriated under this section for the purpose of making grants under this section.".

SEC. 322. EDUCATING YOUTH ABOUT DOMESTIC VIOLENCE.

(a) GENERAL PURPOSE.—For purposes of this section, the Secretary of Education, hereinafter referred to as the "Secretary" shall develop model programs for education of young people about domestic violence and violence among intimate partners.

(b) NATURE OF PROGRAM.—The Secretary, in consultation with the Secretary of Health and Human Services, shall through grants or contracts develop three separate programs, one each for primary and middle schools, secondary schools, and institutions of higher education. Such model programs shall be developed with the input of educational experts, law enforcement personnel, legal and psychological experts on battering, and victim advocate organizations such as battered women's shelters. The participation of each such group or individual consultants from such groups is essential to the development of a program that meets both the needs of educational institutions and the needs of the domestic violence problem.

(c) REVIEW AND DISSEMINATION.—Not later than 9 months after the date of enactment of this Act, the Secretary shall transmit the model programs, along with a plan and cost estimate for nationwide distribution, to the relevant committees of Congress for review.

(d) AUTHORIZATION.—There are authorized to be appropriated under this section for fiscal year 1992, $200,000 to carry out the purposes of this section.

TITLE IV—REAUTHORIZATION OF PROGRAMS WITH RESPECT TO ADOPTION

SEC. 401. FINDINGS AND PURPOSE.

Section 201 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5111) is amended to read as follows:

"SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

"(a) FINDINGS.—Congress finds that—

"(1) the number of children in substitute care increased by nearly 50 percent between 1985 and 1990, as our Nations's foster care population included more than 400,000 children at the end of June, 1990;

"(2) increasingly children entering foster care have complex problems which require intensive services;

"(3) an increasing number of infants are born to mothers who did not receive prenatal care, are born addicted to alcohol and other drugs, and exposed to infection with the etiologic agent for the human immunodeficiency virus, are medically fragile, and technology dependent;

"(4) the welfare of thousands of children in institutions and foster homes and disabled infants with life-threatening conditions may be in serious jeopardy and some such children are in need of placement in permanent, adoptive homes;

"(5) many thousands of children remain in institutions or foster homes solely because of local and other barriers to their placement in permanent, adoptive homes;

"(6) the majority of such children are of school age, members of sibling groups or disabled;

"(7) currently one-half of children free for adoption and awaiting placement are minorities;

"(8) adoption may be the best alternative for assuring the healthy development of such children;

"(9) there are qualified persons seeking to adopt such children who are unable to do so because of barriers to their placement; and,

"(10) in order both to enhance the stability and love of the child's home environment and to avoid wasteful expenditures of public funds, such children should not have medically indicated treatment withheld from them nor be maintained in foster care or institutions when adoption is appropriate and families can be found for such children.

"(b) PURPOSE.—It is the purpose of this title to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

"(1) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption; and

"(2) providing a mechanism for the Department of Health and Human Services to—

"(A) promote quality standards for adoption services, pre-placement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

"(B) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption;

"(C) maintain a National Resource Center for Special Needs Adoption to—

"(i) promote professional leadership development of minorities in the adoption field;

"(ii) provide training and technical assistance to service providers and State agencies to improve professional competency in the field of adoption and the adoption of children with special needs; and

"(iii) facilitate the development of interdisciplinary approaches to meet the needs of children who are waiting for adoption and the needs of adoptive families; and

"(D) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan.".

SEC. 402. MODEL ADOPTION LEGISLATION AND PROCEDURES.

Section 202 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5112) is repealed.

SEC. 403. INFORMATION AND SERVICE FUNCTIONS.

Section 203 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5113) is amended—

(1) in subsection (a)—

(A) by inserting ", on-site technical assistance" after "consultant services" in the second sentence;

(B) by inserting "including salaries and travel costs," after "administrative expenses," in the second sentence; and

(C) by adding at the end thereof the following new sentence: "The Secretary shall, not later than 12 months after the date of enactment of this sentence, prepare and submit to the committees of Congress having jurisdiction over such services reports, as appropriate, containing appropriate data concerning the manner in which activities were carried out under this title, and such reports shall be made available to the public."; and

(2) in subsection (b)—

(A) by striking out paragraph (1) and redesignating paragraph (2) as paragraph (1);

(B) by inserting after paragraph (1) (as so redesignated) the following new paragraph:

"(2) conduct, directly or by grant or contract with public or private nonprofit organizations, ongoing, extensive recruitment efforts on a national level, develop national public awareness efforts to unite children in need of adoption with appropriate adoptive parents, and establish a coordinated referral system of recruited families with appropriate State or regional adoption resources to ensure that families are served in a timely fashion;";

(C) by striking out "and (B)" in paragraph (3) and inserting in lieu thereof "(B) the operation of a national resource center for special needs adoption; and (C)"; and

(D) by inserting ", and to promote professional leadership training of minorities in the adoption field" before the semicolon in paragraph (4).

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Child Abuse Prevention and Treatment Act of 1978 (42 U.S.C. 5115) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) There are authorized to be appropriated, $10,000,000 for each of the fiscal years 1992 through 1994, to carry out programs and activities under this Act except for programs and activities authorized under sections 203(b)(8) and 203(c)(1)."; and

(2) in subsection (b), by striking out "$3,000,000", the first place that such appears, and all that follows through the end thereof, and inserting in lieu thereof the following: "$10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(b)(8), and there are authorized to be appropriated $10,000,000 for each of the fiscal years 1992 through 1994, to carry out section 203(c)(1).".

TELEPHONE ADVERTISING CONSUMER RIGHTS ACT

PRESSLER AMENDMENT NO. 1310

Mr. WARNER (for Mr. PRESSLER) proposed an amendment to the bill (S. 1410) relating to the rights of consumers in connection with telephone advertising, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Advertising Consumer Rights Act".

SEC. 2. FINDINGS.

The Congress finds that:

(1) The use of the telephone to market goods and services to the home and other businesses is now pervasive due to the increased use of cost-effective telemarketing techniques.

(2) Over 30,000 businesses actively telemarket goods and services to business and residential customers.

(3) More than 30,000 solicitors call more than 18,000,000 Americans every day.

(4) Total United States sales generated through telemarketing amounted to $435,000,000,000 in 1990, a more than four-fold increase since 1984.

(5) Unrestricted telemarketing, however, can be an intrusive invasion of privacy and, when an emergency or medical assistance telephone line is seized, a risk to public safety.

(6) Many consumers are outraged over the proliferation of intrusive, nuisance calls to their homes from telemarketers.

(7) Over half the States now have statutes restricting various uses of the telephone for marketing, but telemarketers can evade their prohibitions through interstate operations; therefore, Federal law is needed to control residential telemarketing practices.

(8) The Constitution does not prohibit restrictions on commercial telemarketing solicitations.

(9) Individuals' privacy rights, public safety interests, and commercial freedoms of speech and trade must be balanced in a way that protects the privacy of individuals and permits legitimate telemarketing practices.

SEC. 3. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) The term 'unsolicited telephone solicitation' means a telephone call by a live person for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services which is transmitted to any person without that person's prior express invitation or permission. Such term does not include calls or messages made by or on behalf of a tax exempt nonprofit organization.

"(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 make any unsolicited telephone solicitation in violation of the regulations prescribed by the Commission pursuant to subsection (c);

"(2) to send an unsolicited advertisement by a facsimile machine; and

"(3) to make any call (other than a call made for emergency purposes or made with the prior consent of the called party) using any automatic telephone dialing system, or an artificial or prerecorded voice—

"(A) to any emergency telephone line or pager (including any '911' line and any emergency line or pager of a hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency) or to the telephone line of any guest room or patient room of a hospital, health care facility, elderly home, or similar establishment; or

"(B) to any telephone number assigned to a paging service, cellular telephone service, specialized mobile radio service, or radio common carrier service, or any other service for which the called party is charged for the call.

"(c) PROTECTION OF SUBSCRIBER PRIVACY RIGHTS.—

"(1) RULEMAKING PROCEEDING REQUIRED.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding concerning the need to protect residential telephone subscribers' privacy rights to avoid receiving unsolicited telephone solicitations to which they object. The proceeding shall—

"(A) further define 'unsolicited telephone solicitation' consistent with subsection (a)(3);

"(B) compare and evaluate alternative methods and procedures, including the use of telephone electronic databases, telephone network technologies, special directory markings, industry and company based 'do not call' systems, and any other alternatives, individually or in combination, for protecting such privacy rights, in terms of their cost effectiveness and their other advantages and disadvantages;

"(C) evaluate the categories of public and private entities that would have the capacity to establish and administer such methods and procedures;

"(D) consider whether such methods and procedures may apply for local telephone solicitations, such as those of small businesses or holders of second class mail permits; and

"(E) develop proposed regulations to implement the methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of this section.

"(2) REGULATIONS.—Not later than 240 days after the date of enactment of this section, the Commission shall conclude the rulemaking proceeding initiated under paragraph (1) and shall prescribe regulations to implement methods and procedures for protecting the privacy rights described in such paragraph in an efficient, effective, and economic manner and without the imposition of any additional charge to telephone subscribers.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system (to make any telephone solicitation) in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of each transmission, the data and time it is sent and an identification of the business, other entity, or individual sending the message and the telephone number of the sending machine or of such business, other entity, or individual.

"(2) 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) can be used for the distribution of unsolicited advertising, clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business, other entity, or individual sending the message, 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.

"(3) ARTIFICIAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) to the extent not otherwise prohibited by law, all artificial or prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business, other entity, or individual initiating the call, and (ii) shall, during or after the message, state clearly the telephone number

or address or such business, other entity, or individuals; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(e) PRIVATE RIGHT OF ACTION.—A person who has received more than one telephone call from the same entity, or delivering the same or a similar message, in violation of this section or regulations prescribed under this section may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State an action in such person's own name to enjoin such calls, an action to recover for actual monetary loss or be awarded $500 in damages for each violation, whichever is greater, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(f) ACTIONS BY STATE ATTORNEYS GENERAL.—

"(1) AUTHORITY OF ATTORNEYS GENERAL.—Whenever the attorney general of a State, or an official or agency designated by a State, has reason to believe that any person has engaged or is engaging in a pattern or practice of telephone calls to residents of that State in violation of this section or the regulations prescribed under this section, the State may bring a civil action on behalf of its residents to enjoin such calls, an action to recover for actual monetary loss or $500 in damages for each violation, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(2) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this subsection. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of this section and regulations prescribed under this section, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such provision. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) RIGHTS OF COMMISSION.—The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the States shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

"(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under this subsection in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(5) INVESTIGATORY POWERS.—For purposes of bringing any civil action under this subsection, nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(6) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this subsection shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

"(7) LIMITATION.—Whenever the Commission has instituted a civil action for violation of this section or regulations prescribed under this section, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for any violation as alleged in the Commission's complaint.

"(8) DEFINITION.—As used in this subsection, the term 'attorney general' means the chief legal officer of a State.

"(g) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; and

"(3) the use of artificial voice or prerecorded messages.

"(h) PREEMPTION OF INCONSISTENT INTERSTATE COMMUNICATIONS LAWS.—This section preempts any provisions of State law concerning interstate communications that are inconsistent with the interstate communications provisions of this section.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

AUTOMATED TELEPHONE CONSUMER PROTECTION ACT

HOLLINGS AMENDMENT NO. 1311

Mr. HOLLINGS proposed an amendment to the bill (S. 1462) to amend the Communications Act of 1934 to prohibit certain practices involving the use of telephone equipment for advertising and solicitation, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Automated Telephone Consumer Protection Act."

SEC. 2. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

(a) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.

"(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 telephone numbers to be called, using a random or sequential number generator; and

"(B) to dial such numbers.

"(2) The term 'telephone facsimile machine' means equipment which has the capacity to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line.

"(3) 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.—

"(1) REGULATIONS.—The Commission shall prescribe regulations to make it unlawful for any person within the United States—

"(A) to make any call (other than a call made for emergency purposes or made with the prior express consent of the called party) using any automatic telephone dialing system or an artificial or prerecorded voice—

"(i) to any emergency telephone line (including any '911' line and any emergency line of a hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency) or to the telephone line of any guest room or patient room of a hospital, health care facility, elderly home, or similar establishment; or

"(ii) to any telephone number assigned to a paging service, cellular telephone service, specialized mobile radio service, or radio common carrier service, or any other service for which the called party is charged for the call;

"(B) to initiate any telephone call to any residence using an artificial or prerecorded voice to deliver a message without the prior express consent of the called party, unless the call is initiated for emergency purposes;

"(C) to send an unsolicited advertisement by a facsimile machine; or

"(D) to use an automatic telephone dialing system in such a way that two or more telephone lines of a multi-line business are seized simultaneously.

"(2) PRIVATE RIGHT OF ACTION.—A person who has received more than one telephone call from the same entity, or delivering the same or a similar message, in violation of regulations prescribed under this subsection may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State an action in such person's own name to enjoin such calls, an action to recover for actual monetary loss or receive $500 in damages for each violation, whichever is greater, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss up to $1,500 for each violation, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(3) CALLS TO BUSINESSES.—In the course of its rulemaking proceeding to prescribe regulations under paragraph (1), the Commission shall consider prescribing regulations to allow businesses to avoid receiving calls made using an artificial or prerecorded voice message to which they have not given their prior express consent.

"(4) EXEMPTIONS AND OTHER PROVISIONS.—In the course of its rulemaking processing to

prescribe regulations under paragraph (1), the Commission shall also determine whether and to what extent the regulations should include exemptions and other provisions to address special circumstances, consistent with the public interest, convenience, and necessity.

"(c) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any communication using a telephone facsimile machine, or to make any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under this subsection, or to use any telephone facsimile machine or automatic telephone dialing system in a manner that does not comply with such standards; or

"(B) to use a computer or other electronic device to send any message via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the message or on the first page of the transmission, the date and time it is sent and an identification of the business, other entity, or individual sending the message and the telephone number of the sending machine or of such business, other entity, or individual.

"(2) 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) can be used for the distribution of unsolicited advertising,

clearly marks, in a margin at the top or bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business, other entity, or individual sending the message, and the telephone number of the sending machine or of such business, other entity, or individual. 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.

"(3) ARTIFICIAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for systems that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) all artificial or prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business, individual, or other entity initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business, other entity, or individual; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

"(d) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of telephone facsimile machines or other electronic devices to send unsolicited advertisements;

"(2) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; or

"(3) the use of artificial or prerecorded voice messages.

"(e) ACTIONS BY STATES.—

"(1) AUTHORITY OF STATES.—Whenever the attorney general of a State, or an official or agency designated by a State, has reason to believe that any person has engaged or is engaging in a pattern or practice of telephone calls to residents of that State in violation of the regulations prescribed under this section, the State may bring a civil action on behalf of its residents to enjoin such calls, an action to recover for actual monetary loss or receive $500 in damages for each violation, or both such actions. The court may, in its discretion, increase the award for monetary loss to an amount not to exceed three times the actual monetary loss up to $1,500 for each violation, or to increase the award of damages to an amount not to exceed $1,500 for each violation, if the court finds the defendant willfully or knowingly violated such regulations.

"(2) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this subsection. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording life relief, commanding the defendant to comply with the provisions of regulations prescribed under this section, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such regulations. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) RIGHTS OF COMMISSION.—The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

"(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under this subsection in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(5) INVESTIGATORY POWERS.—For purposes of bringing any civil action under this subsection, nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance or witnesses or the production of documentary and other evidence.

"(6) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this subsection shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

"(7) LIMITATION.—Whenever the Commission has instituted a civil action for violation of regulations prescribed under this section, no State may, during the pendence of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for any violation as alleged in the Commission's complaint.

"(8) DEFINITION.—As used in this subsection, the term 'attorney general' means the chief legal officer of a State.".

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152(b)) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

NOTICE OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, NATURAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, November 14, 1991, beginning at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 1625, a bill to provide for the settlement of certain claims under the Alaska Native Claims Settlement Act, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 364 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Tom Williams of the committee staff at (202) 224–7145.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON POW/MIA AFFAIRS

Mr. HOLLINGS. Mr. President, I ask unanimous consent for the Senate Select Committee on POW/MIA Affairs to meet today, November 7, 1991, at 9:30 a.m. in room 216 of the Hart Senate Office Building to continue to examine the Government's process of investigation of POW/MIA's which is currently in place, and to determine whether or not live Americans are being held against their will in Southeast Asia.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on

Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., November 7, 1991, to receive testimony on S. 461, S. 606, S. 1230, H.R. 990, S. 1552, S. 1660, S. 1772, H.R. 2370, and S. 1770.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 7, at 10 a.m. to hold a hearing entitled, "President Bush's Unilateral Nuclear Arms Reduction Initiative, the Gorbachev Response, and the Meeting in Madrid."

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

COMMITTEE ON SMALL BUSINESS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, November 7, 1991, at 2 p.m. The committee will hold a full committee hearing to consider the President's nomination of Paul H. Cooksey to be Deputy Administrator of the Small Business Administration.

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

SUBCOMMITTEE ON COMPETITIVENESS AND ECONOMIC OPPORTUNITY

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Small Business Subcommittee on Competitiveness and Economic Opportunity be authorized to meet during the session of the Senate on Thursday, November 7, 1991, at 9:15 a.m. The subcommittee will hold a hearing on product liability.

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

SUBCOMMITTEE ON GOVERNMENT INFORMATION AND REGULATION

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Subcommittee on Government Information and regulation be authorized to meet on Thursday, November 7, 1991, at 9 a.m. on the subject: dividing the dollars: Federal funding and the 1990 census.

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

SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Commerce and Tourism, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on November 7, 1991, at 10 a.m. on trade with Eastern Europe and the Soviet Union.

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

ADDITIONAL STATEMENTS

THE QUESTION OF MOST-FAVORED-NATION TRADE STATUS FOR ROMANIA

• Mr. DECONCINI. Mr. President, as you may be aware, on October 28 the United States initialled a trade agreement with Romania. Immediately thereafter, the Romanian press reported that the accord would soon be formally signed and sent to the respective legislatures for ratification. It is my understanding that this trade agreement will contain a clause for the restoration of most-favored-nation [MFN] trade status to Romania.

It is clear that Romania, which enjoyed MFN status from 1975 until 1988, is suffering a severe economic crisis largely inherited from the tyrannical Ceausescu regime. Measures to transform the economy have exacerbated public hardship and discontent, prompting, most recently, the violent assault of the miners on Bucharest. We should not underestimate the serious challenge the Romanian authorities are facing, or the danger of isolating the country at a time of tremendous instability and uncertainty.

Nonetheless, Mr. President, I believe that further concrete progress toward pluralism and democracy are essential before we restore MFN status.

Last month, Senators D'AMATO, DODD, and HELMS joined me in circulating a "Dear Colleague" on this issue. We invited our colleagues to join us in sending a letter to President Bush, explaining our strong views on this subject. The letter has been mailed today, with 19 signatures. Copies have also been sent to Secretary Baker, Romanian President Ion Iliescu, and Romanian Ambassador Virgil Constantinescu. In our letter, we attempt to lay clear markers for the Romanian authorities.

The most important indicator will be the holding of timely, free and fair elections. As you may know, the national elections of May 1990 were tainted by serious harassment and intimidation of the opposition. Local elections have been repeatedly postponed; local administration is consequently in the hands of prefects and officials appointed by the government. We believe that a new round of national elections is critical to provide leadership responsive and accountable to the people.

It is clear, however, that a free and fair elections process will rest on a number of equally significant developments. Romania, as a member of the CSCE, has recognized that independent media are essential to a free and open society. Yet despite repeated appeals from the domestic and international community, television remains virtually entirely within the grip of the state. The state maintains a monopoly on printing works and controls the use of printing presses; opposition journalists and cultural figures continue to receive threats by phone and mail, and have even been subject to physical abuse. We will be looking for real action—not further bureaucratic delays—on these issues.

A free and fair elections process will also rely on improved control of the internal security and intelligence forces. There are many indications that remnants of the Securitate are continuing their old tactics of harassment and intimidation. Steps should be taken to ensure that military and paramilitary forces, internal security and intelligence services, and the police are subject to the effective direction and control of the appropriate civil authorities, in conformity with accepted international standards.

And overall, we expect greater protection of individual human rights, particularly with regard to minorities. We are concerned about laws that seem to inhibit basic freedoms, such as the restrictive law on citizenship. We are troubled by acts of violence against individuals and groups that have thus far gone unpunished. We regret the tendency toward discrimination in the administration of justice, which has undermined confidence in the rule of law. And we are disappointed that progress toward privatization has been slow.

We realize that the restoration of MFN status would be of significant economic, and political, benefit to Romania. Nevertheless, we believe that the restoration of MFN for Romania should be postponed until substantial progress toward democratic pluralism—including timely, free and fair elections—and a market economy is achieved.•

IN APPRECIATION OF OREGON'S COUNTIES

• Mr. HATFIELD. Mr. President, today I rise to salute the local governmental organizations in my home State of Oregon. These grassroots legislative bodies are the cogs and wheels in a system in which I have been involved for the past 40 years, a system comprising the lifeblood of the public service industry in my State.

None of the elected officials making up these local governmental organizations holds office because of the high salary or great working conditions. They are in office because their nature is to serve their fellow human beings and to better their communities. Their generosity and unselfish sacrifice constitutes the very best of the local governmental organizations we have in Oregon.

Throughout my years as a U.S. Senator, I have been fortunate to work with a great many county and local officials dedicated to making Oregon a better place. I would like to take this opportunity to elaborate on several re-

cent county/Federal partnerships working for the good of Oregonians.

One Federal/local partnership program working to benefit Oregonians and other people living in publicly owned areas of the United States is the Payment-In-Lieu-of-Taxes [PILT] Program. As many of my Senate colleagues from public-lands States know, the PILT system is essential to the funding of many county government services, such as fire protection, police protection, schools and roads.

In Oregon, 58 percent of our land base is owned by public entities such as the U.S. Forest Service and Bureau of Land Management. Some counties in Oregon contain upwards of 75 to 80 percent public lands—land which, if not for the PILT Program, would be entirely removed from county tax bases.

Unfortunately, Mr. President, many of the counties under the PILT Program are now at the program's ceiling, and are thus receiving no new money for local services at a time when the costs of such services are skyrocketing. Most are at this ceiling because the PILT Program, since it creation in 1976, has not been adjusted for inflation. Additionally, many of the rural PILT counties in Oregon, are feeling the crunch of extremely reduced revenues from other areas, such as historically low timber harvest levels and statewide budget cutbacks. The adjustments the PILT Program badly needs, however, are in sight.

I am proud to report that the Senate Committee on Energy and Natural Resources recently passed a bill adjusting PILT payments to public-land counties to match the inflation rates of the past 15 years, while at the same time projecting yearly increases in PILT up until 1997. Nationwide, this legislation will increase the PILT Program over 100 years from approximately $105 million to $210 million per year.

Oregon will also see a dramatic increase in its PILT funding levels from approximately $2.9 million to $6.2 million per year. Assuming the bill passes the full Senate, the House of Representatives, and receives the President's signature, Oregon counties under strict budget guidelines will see some significant relief. Money for schools, roads, police, fire and other essential local services will now be available. I am proud to be a cosponsor of this legislation, and I am thankful to all those at the local level with whom I worked to ensure committee passage of this much needed piece of legislation.

Another testimony to the successful relationship between Oregon's county and Federal elected officials can be found in Wallowa County at the Nez Perce gravesite of Old Chief Joseph.

The Nez Perce tribe is seeking protection of this and 13 other sites of historical tribal significance in Oregon, Washington, Idaho, and Wyoming through legislation at the Federal level. The protection of the Old Chief Joseph site, however, requires the removal of land from Walowa County's tax base—a problem for the revenue-starved rural county.

Nevertheless, the Wallowa County Court, the U.S. Park Service, the Nez Perce Tribe, the owners of the land adjacent to the gravesite, and my office were able to craft a compromise which seeks to preserve the local tax base while at the same time protecting and enhancing the Old Chief Joseph site. I am exceedingly grateful for all the hard work contributed by all parties on this compromise and look forward to final passage of the Nez Perce park additions bill in both the Senate and the House of Representatives.

Finally, I would be remiss not to note the recently successful effort in Harney County regarding the exchange of land in the Warner Basin/Steens Mountain area of southeast Oregon. Here, county and Federal government officials worked together with private interests to forge a compromise on the protection of high desert lands in Harney County, OR.

Simple withdrawal of this land would have resulted in a large removal of private land from Harney County's tax base—a move which would have placed a significant burden on local tax revenue levels and the services provided by the local units of government. After much hard work and dedication, the Harney County government was able to agree on a resolution to this complex problem which: First, did not result in a loss of revenue due to a removal of land from the Harney County tax base; and second, directed the BLM not to engage in any land exchanges resulting in a net loss to either Harney or neighboring Lake Counties' tax bases.

The success of the Warner Basin/Steens Mountain land exchange sets a precedent for future county/Federal land exchange partnerships. The clear intent of both the county officials and Congress on this exchange was that land acquisitions should be accomplished to the greatest extent possible through land exchange. In this way, the interests and resources of county governments can be preserved.

This exchange rule has been the policy of the last two Presidential administrations, and it is one I strongly support. Additionally, it is a policy I plan to follow on any future land exchanges in my State. This approach will protect the public interest, it will protect the interest of the property owner seeking the transfer, and it assures that local governments are consulted as partners when land acquisitions are proposed. In the future, land acquisitions should be accomplished only when lands of equivalent value are exchanged within the county of acquisition.

Mr. President, in all of these successful projects there has been one common denominator—the dedication and hard work of Oregon's county and local elected officials. These hard-working individuals live on the front liens of Oregon's democratic process and represent our constituents directly in their individual communities and businesses. And while my statement today has focused exclusively on local/Federal partnerships on natural resource-related issues, I in no way want to diminish the multitude of people-related issues these county and local officials must juggle on a day-to-day basis.

As an elected official from the State of Oregon, I am extremely privileged to work with these people, and I am hopeful we can continue to forge this local/Federal relationship in the future. The success of policies beneficial to the constituents of our State requires us to strive to work, not in isolation but in partnership with our county and local governments.

Mr. President, next week the Association of Oregon Counties convenes its annual meeting in Ashland, OR, and I am pleased that several of my field representatives will be present. They will be seeking to further cultivate the partnerships and collaborative efforts between the county and Federal governments we have worked on for so many years. I remain convinced that by our collective efforts, the county/Federal partnership can make a tremendous difference for Oregonians. I would like to take this opportunity to express my most sincere gratitude for all the work done by Oregon's county and local elected officials.•

THE LATVIAN CITIZENSHIP LAW

• Mr. DECONCINI. Mr. President, I rise today to discuss an issue that is assuming great importance in the nations formerly comprising the Soviet Union, that of citizenship for residents of those nations.

Latvia, which restored its independence in August of this year after 41 years of illegal Soviet occupation, is presently engaged in establishing legal standards for citizenship.

Under Soviet rule, the Latvian people were seriously threatened with ethnic annihilation. By the mid-1980's they constituted a scant majority in their own country. The Latvian language and Latvian culture were relegated to second-class status at best, and Latvian history was rewritten to denigrate the independent Latvian Republic of 1920–40.

But the Latvian people resisted, some openly, some quietly. Many went to labor camps and prison for their perserverance. Some, like Gunars Astra, gave their lives to the cause. But in the end, they were victorious. The Latvian people preserved their history, their language, their sense of nationhood, and having thrown off Moscow's yoke, they have rejoined the community of free nations.

And now the Latvian government is faced with the great task of re-establishing its nation under the rule of law, and one of the major questions is: "Who will become a citizen of the Latvia?"

On October 15, 1991 the Latvian Supreme Council adopted a resolution on the rights of citizens of Latvia and regulations for naturalization of noncitizens. According to this resolution, former citizens of independent Latvia and their descendants will be restored to citizenship by formal application before July 1, 1992.

Residents wishing to become naturalized citizens must be conversant in Latvian, know the fundamental principles of the Latvian Constitution, take an oath of loyalty to the Republic of Latvia, and have resided in Latvia for 16 years.

Mr. President, it seems to me that the first three requirements are eminently reasonable, and fully compatible with the naturalization laws of many advanced nations. However, I am frankly uneasy about the 16-year residency requirement, which appears designed to discourage citizenship by non-Latvians. It appears, unfortunately, that supporters of this 16-year provision wish to intentionally alienate non-Latvians currently residing in that country. I am aware of the "Ugly Russian" in the Baltics, the colonial mentality, the resolute refusal by many immigrants to learn the language of the indigenous population, making not the slightest effort to contribute to the society around him or her. I understand the unwillingness to share the new freedoms with such persons. But are old antagonisms worth the waste of human potential, the discord, the resentments that this provision, if enacted into law, will undoubtedly generate? Is this a reasonable way to proceed?

I am also aware that certain nations, Switzerland and Iceland among them, have similar time periods for naturalization. In the United States the normal waiting period is 5 years, 3 years for the spouse of an American citizen. I am reminded, however, that a potential citizen is aware of these provisions prior to attempting to emigrate to those countries and become naturalized, unlike the non-Latvian population of Latvia. And I would admit that the record of the United States has not been exemplary in this area. Regrettably, we only extended full citizenship to our native Americans in 1924.

Nevertheless, I believe it would be prudent to heed the words of Ambassador Max Kampelman, the United States head of delegation at the Moscow CSCE Conference on the Human Dimension. Ambassador Kampelman said:

* * * human rights and fundamental freedoms are invested in the individual and not the group. Pluralistic democracies work because they respect every possible variation of self-identification and voluntary association by the individual. He or she has inalienable rights which each individual may exercise alone or in community with others. Group rights are by nature exclusionary and regrettably lead to a preoccupation with differences in a society rather than focus on the freely shared values that can hold societies together. Too often, a groups rights approach is a prescription for confusion, conflict and division.

I wonder if the citizenship resolution reflects an unfortunate and hastily formulated group approach to civil rights for minorities? It is certainly not in accordance with the spirit of the Helksinki Process.

At last word, the resolution on Latvian citizenship has not yet become law. I hope the Supreme Council and Latvian leadership will seriously reconsider the residency requirements. Ideally, we would hope that citizenship could be extended automatically to all legal residents at the time of the enactment of the citizenship law, or, at least, a more reasonable time period were considered. In any event, on the ashes of the Soviet Empire, there is confusion, conflict, and division enough. I fear this resolution on citizenship may only create more.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SECTION 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Ziolkowski:									
Mexico	Peso	1,179,963	387.00					1,179,963	387.00
United States	Dollar				358.00				358.00
Total			387.00		358.00				745.00

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Oct. 11, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
William P. Jones:									
Czechoslovakia	Dollar		520.00						520.00
France	Franc	6,059.52	1,052.00					6,059.52	1,052.00
United States	Dollar				5,537.00				5,537.00
Rand H. Fishbein:									
Turkey	Dollar		500.00						500.00
Israel	Dollar		1,400.00						1,400.00
United States	Dollar				2,085.00				2,085.00
Charles R. D'Amato:									
Turkey	Dollar		86.00						86.00
Israel	Dollar		1,016.00						1,016.00
Britain	Dollar		548.00						548.00
United States	Dollar					1,944.00			1,944.00
David H. Morrison:									
Germany	Dollar		867.00						867.00
United States	Dollar				3,188.00				3,188.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1991—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mary C. Marshall:									
Hong Kong	Dollar	5,298	688.00					5,298	688.00
China	Yuan	3,668	704.00					3,668	704.00
South Korea	Won	2,938	408.00					2,938	408.00
United States	Dollar				3,136.00				3,136.00
Total			7,789.00		15,890.00				23,679.00

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Oct. 18, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC.22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Tim Rieser:									
El Salvador	Dollar		230.00						230.00
United States	Dollar				864.00				864.00
Senator Barbara A. Mikulski:									
Israel	Dollar		362.76						362.76
Cyprus	Dollar		197.83						197.83
United States	Dollar				1,689.87				1,689.87
Rand H. Fishbein:									
Israel	Dollar		770.00						770.00
United States	Dollar				5,694.00				5,694.00
Total			1,560.59		8,247.87				9,808.46

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Oct. 23, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ARMED SERVICES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John W. Warner									
United Kingdom	Dollar		1,980.00						1,980.00
Total			1,980.00						1,980.00

SAM NUNN,
Chairman, Committee on Armed Services, Oct. 4, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Randall J. DeValk:									
United Kingdom	Pound	424.18	718.95					424.18	718.98
Germany	Mark	2,469.17	1,478.55					2,469.17	1,478.55
Soviet Union	Ruble	19,706.70	757.95					19,706.70	757.95
Sweden	Krona	738.61	118.94					738.61	118.94
United States	Dollar				3,397.00				3,397.00
Total			3,074.39		3,397.00				6,471.39

JIM SASSER,
Chairman, Committee on the Budget, Sept. 26, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Douglas C. Olin:									
Australia	Dollar		723.00						723.00
Thailand	Dollar		450.00						450.00
Taiwan	Dollar		614.00						614.00
United States	Dollar				6,146.00				6,146.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Singapore	Dollar		213.00						213.00
Total			2,000.00		6,146.00				8,146.00

JIM SASSER,
Chairman, Committee on the Budget, Aug. 27, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator J. Bennett Johnston:									
Czechoslovakia	Dollar		520.00						520.00
France	Franc	6,059.52	1,052.00						1,052.00
United States	Dollar				5,537.00				5,537.00
Senator Paul Wellstone:									
Israel	Dollar		25.00		4,058.70				4,083.70
Katherine Magraw:									
Israel	Dollar		302.00		4,057.00				4,359.70
Total			1,899.00		13,653.40				15,552.40

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, Oct. 16, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Joseph Lieberman:									
Israel	Shekel	268.60	117.00					268.60	117.00
Saudi Arabia	Dollar						164.34		164.34
United States	Dollar				3,920.00				3,920.00
James Kennedy:									
Israel	Skekel	837.93	365.00					837.93	365.00
Saudi Arabia	Dollar						164.34		164.34
United States	Dollar				4,025.00				4,025.00
Total			482.00		7,945.00		328.68		8,755.68

QUENTIN BURDICK,
Chairman, Committee on Environment and Public Works, Oct. 22, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
Mexico	Peso	1,315,000	432.00					1,315,000	432.00
Brazil	Cruzado	356,972	295.00					356,972	295.00
Argentina	Austral	3,352,700	339.00					3,352,700	339.00
Ecuador	Sucre	167,042	150.00					167,042	150.00
Robert Lockwood:									
Mexico	Peso	1,850,750	608.00					1,850,750	608.00
Brazil	Cruzado	356,972	295.00					356,972	295.00
Argentina	Austral	3,352,700	339.00					3,352,700	339.00
Ecuador	Sucre	189,314	170.00					189,134	170.00
Deborah A. Lamb:									
Mexico	Peso	1,178,000	387.00					1,178,000	387.00
United States	Dollar				358.00				358.00
Marcia E. Miller:									
Mexico	Peso	1,178,000	387.00					1,178,000	387.00
United States	Dollar				358.00				385.00
Total			3,402.00		716.00				4,118.00

LLOYD BENTSEN,
Chairman, Committee on Finance, Oct. 29, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gary Slaiman:									
Belgium	Franc	23,557	164.00				50.00	23,557	214.00
United States	Dollar				717.00				717.00
Total			164.00		717.00		50.00		931.00

JOE BIDEN,
Chairman, Committee on the Judiciary, Nov. 4, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON ETHICS, FOR TRAVEL FROM APR. 1, TO JUNE 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Howell Heflin [1]			270.00						270.00
			474.00						474.00
			390.00						390.00
			248.00						248.00
			228.00						228.00
Total			1,610.00						1,610.00

[1] Senator Heflin accompanied the Senate Intelligence Committee as a member of an official delegation.

HOWELL HEFLIN,
Chairman, Select Committee on Ethics, Oct. 31, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Dennis DeConcini			1,323.00		5,451.00				6,774.00
Timothy Carlsgaard			1,203.00		4,898.00				6,101.00
Michael Hathaway			817.56		1,550.00				2,367.56
Arthur Grant			1,037.00		3,859.75				4,896.75
Terrence Ryan			1,885.00		4,245.00				6,130.00
Jeffrey Roe			1,885.00		4,200.00				6,085.00
Michael Hathaway					3,178.00				3,178.00
Michael Hathaway			522.40		2,774.00				3,296.40
Senator David Boren			1,575.00						1,575.00
Jim Hall			1,767.63						1,767.63
Christopher Straub			1,767.63						1,767.63
Total			13,783.22		30,155.75				43,938.97

DAVID BOREN,
Chairman, Select Committee on Intelligence, Oct. 31, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Jeff Bingaman:									
United States	Dollar		142.40		180.80		34.29		357.49
Richard Zuniga:									
United States	Dollar		204.07		280.80				484.87
Alice Salcido:									
United States	Dollar		204.07		280.80				484.87
Total			550.54		742.40		34.29		1,327.23

PAUL S. SARBANES,
Chairman, Joint Economic Committee, Sept.30, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Dennis DeConcini:									
Austria	Schilling	1,660	211.00					1,660	211.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Estonia	Dollar		255.00						255.00
Lithuania	Dollar		255.00						255.00
Soviet Union	Dollar		752.00						752.00
Total			1,473.00						1,473.00

DENNIS DeCONCINI,
Chairman, Commission on Security and Cooperation in Europe,
Oct. 30, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL AUG. 4–19, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Amitay:									
United States	Dollar				5,658.00				5,658.00
South Africa	Rand	2,183.10	766.00					2,183.10	766.00
Namibia	Rand	592.80	208.00					592.80	208.00
Kenya	Shilling	16,595.70	584.00					16,595.70	584.00
Nigeria	Naira	3,017.80	191.00					3,017.80	191.00
Jane Fisher:									
United States	Dollar				5,658.00				5,658.00
South Africa	Rand	2,183.10	766.00					2,183.10	766.00
Namibia	Rand	592.80	208.00					592.80	208.00
Kenya	Shilling	16,595.70	584.00					16,595.70	584.00
Mary Sue Hafner:									
United States	Dollar				5,658.00				5,658.00
South Africa	Rand	2,183.10	766.00					2,183.10	766.00
Namibia	Rand	592.80	208.00					592.80	208.00
Kenya	Shilling	16,595.70	584.00					16,595.70	584.00
Nigeria	Naira	3,017.80	191.00					3,017.80	191.00
Delegation expenses					728.45				728.45
Total			5,056.00		17,702.45				22,758.45

DENNIS DeCCONCINI,
Chairman, Commission on Security and Cooperation in Europe,
Oct. 30, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), PRESIDENT PRO TEMPORE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Frank R. Lautenberg:									
Israel	Dollar		590.00						590.00
Egypt	Pound	1,397.77	416.25					1,397.77	416.25
	Dollar						256.43		256.43
United States	Dollar				5,827.50				5,827.50
Total			1,006.25		5,827.50		256.43		7,090.18

ROBERT C. BYRD,
President pro tempore, Oct. 3, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AUTHORIZED BY THE MAJORITY LEADER, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ronald Ledlow:									
Poland	Zloty	12,642,900	1,110.00					12,642,900	1,110.00
United States	Dollar				1,263.00				1,263.00
Total			1,110.00		1,263.00				2,373.00

GEORGE J. MITCHELL,
Majority Leader, Oct. 4, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AUTHORIZED BY THE REPUBLICAN LEADER, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth, Jr.:									
England	Pound	496.17	810.00					496.17	810.00
Soviet Union	Dollar		115.00						115.00
Finland	Finmark	933.68	220.00					933.68	220.00
United States	Dollar				3,625.00				3,625.00
R. Ian Butterfield:									
England	Pound	496.17	810.00					496.17	810.00
Soviet Union	Dollar		225.00						225.00
Daniel Bob:									
United States	Dollar				2,063.00				2,063.00
Total			2,180.00		5,688.00				7,868.00

ROBERT J. DOLE,
Republican Leader, Oct. 30, 1991.

SOURCE TAXES MUST GO

• Mr. GORTON. Mr. President, many residents in my home State of Washington are currently being taxed by other States simply because they worked there at one point in their life. These other States make pensioners pay by levying a source tax on their pension benefits. In many cases this unfair tax is automatically deducted from the retiree's pension benefits every month.

Recently I asked constituents in my home State of Washington to get their feelings on this practice. The vast majority of respondents agreed that we need to abolish this unfair tax. Many made reference to our Founding Fathers' battle against this same kind of unfair taxing and used terms like taxation without representation to express their outrage. I agree.

Interestingly, most of those who responded were not directly affected by the source tax. They were, nonetheless, outraged that source taxes exist because they see these taxes as fundamentally unfair and contradictory to the values we hold dear in America.

We need to correct this problem now. That is why I signed on as a cosponsor to S. 267. This bill will prohibit the taxing of retirement income by a State in which the retiree no longer resides. I encourage my colleagues to help me pass this bill quickly and restore fairness to our retirees' tax bill.•

TRIBUTES

• Mr. KERRY. Mr. President, today I wish to call attention to the achievements of one of Massachusetts' finest citizens. For the past 15 years, Mr. Elmer Bartels has been the commissioner of the Massachusetts Rehabilitation Commission where he has been an outstanding advocate and role model for all citizens with disabilities in Massachusetts.

After the 1960 hockey accident which paralyzed him from the neck down, Commissioner Bartels returned to Colby College and earned a bachelor's degree in physics and then a master's from Tufts University. He worked in the nuclear science lab at MIT and in 1968 joined Honeywell Information Systems. Although he rose to become a department manager, he answered the call of public service when in 1977 Gov. Michael Dukakis asked him to serve as Massachusetts Rehabilitation Commissioner. Through three governors and five administrations, Commissioner Bartels has served the people of the Commonwealth, becoming a national figure in the area of technology and adaptive devices for people with disabilities.

On November 16, the National Spinal Cord Injury Association, of which he is a founding member, will create an award in his name. The Elmer C. Bartels Leadership Recognition Award, to be bestowed on an individual with a disability who has been a leader in the disability community for at least 15 years, will be lasting testimony not only to Mr. Bartels' achievements, but also to the cause that he has dedicated so much of his life to serving.

Elmer Bartels is an example of hope and courage and achievement in the face of tremendous odds, not only to those with disabilities whom he has benefited so greatly over the years, but to all of us who have worked with him. I want to extend to him my congratulations on this very fitting tribute and wish him a long and productive career.•

HON. ARTHUR M. CROMARTY

• Mr. D'AMATO. Mr. President, I am proud to stand here today to honor outgoing Administrative Judge Arthur M. Cromarty. Judge Cromarty has spent 40 years in public service, including 25 years on the bench as justice of the supreme court and 18 years as district administrative judge of Suffolk County.

Arthur Cromarty was born in Brooklyn, NY, on July 3, 1919. He received a B.S. degree from the University of Alabama and served in the U.S. Air Force during World War II as a captain. Arthur received the Distinguished Flying Cross, the Air Medal, and three clusters, 1943–45. He received his juris doctor degree from St. Johns University Law School in 1948.

He married Ellin Hirsch and had three children, Alice—Mrs. Emory Herrick—Ross, and Peter. He is a member of many civic, fraternal, and professional organizations. He is a recipient of many special awards from various religious, civic, and fraternal organizations, including 1986 Judge of the Year Award from the Catholic Lawyer's Guild.

The Honorable Arthur M. Cromarty has had a distinguished career and has given of himself freely to New York and to the United States of America. It is indeed an honor to pay tribute to this exemplary man.•

OIL WELL FIRES IN KUWAIT

• Mr. LIEBERMAN. Mr. President, I spoke yesterday about the wonderful news that the last oil-well fire had been extinguished in Kuwait. I personally thanked the three American companies and one Canadian firm for their extraordinary efforts in fighting the fires.

I would also like to commend the efforts of two additional American companies who played a major role in the firefighting effort: Santa Fe International of Alhambra, CA, and Bechtel Group, Inc. of San Francisco. The logistics of supplying massive amounts of equipment and materials was a herculean task. Without the tremendous support of these two fine organizations, the fires may well have continued to burn for many more weeks, if not months. As chairman of the Gulf Pollution Task Force, I would like to thank Santa Fe and Bechtel for their contributions toward resolving this environmental nightmare.•

PHYSICAL EDUCATION, RECREATION, AND DANCE NEW YORK CITYWIDE CONFERENCE

• Mr. D'AMATO. Mr. President, I rise today to bring your attention to a citywide physical education, recreation,

and dance professional conference which will be held on Saturday, December 7, 1991, from 8:30 a.m.–2 p.m. at Murray Bergtraum High School in Manhattan.

Physical education, recreation, and dance are an essential element in the overall fitness and development of our youth. It is only fitting that we pay tribute to the generous and caring individuals who donate their time and energy to support sports and dance activities for our youth.

The New York State Association for Health, Physical Education, Recreation, and Dance, Inc., is composed of educators and professionals who are dedicated to the advancement of their respective fields. They are actively concerned with expanding the capabilities of its members and promoting quality curricula for better education. It is also the New York State leader in providing extensive professional and educational growth opportunities.

The main goal of the conference is to provide workshops that will impart new, innovative, and informative ideas that can and will be brought back to the classroom. This is a worthwhile goal and I salute the association members for all of their efforts, during this conference and throughout the years.●

TRIBUTE TO PEARL HARBOR SURVIVORS

● Mr. DODD. Mr. President, I rise today to urge my colleagues to join me in paying tribute to the Connecticut Chapter of the Pearl Harbor Survivors Association. Mr. President, 2 years ago Congress passed legislation introduced on behalf of members of the Armed Forces present on December 7, 1941, during the attack on Pearl Harbor. In doing so, Congress authorized the awarding of the Pearl Harbor Commemorative Medal. On Sunday, in my home State of Connecticut, the Connecticut Chapter of the Pearl Harbor Survivors Association is holding its awards ceremony for the purpose of presenting these medals to the veterans of the attack on Pearl Harbor.

Mr. President, the 50th anniversary of the attack on Pearl Harbor is less than a month away. Despite the passage of nearly half of a century, the memories of that day live on in all of us. We owe the veterans of the Pearl Harbor attack a great deal for their commitment to national security, their belief in American values, and their willingness to make the ultimate sacrifice for their country. This commemorative medal represents our gratitude and respect for these special individuals. It is my fervent hope that the recipients of this medal feel the pride of Connecticut and that of the entire Nation.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Brad Figel, a member of the staff of Senator PACKWOOD, to participate in a program in China sponsored by the United States-Asia Foundation on November 30 to December 15, 1991.

The committee has determined that participation by Mr. Nigel in this program, at the expense of the United States-Asia Foundation is in the interest of the Senate and the United States.●

GATES NOMINATION

● Mr. HARKIN. Mr. President, I rise in opposition to the nomination of Robert Gates to be Director of the Central Intelligence Agency.

Mr. President, at the outset of the confirmation hearings, I had serious reservations about the nominee. The confirmation hearings only raised more questions and greater doubts. Questions and doubts about Mr. Gates' past activities, managerial style, judgment, lapses in memory and analytical abilities. Questions and doubts about his role in the Iran-Contra Affair and in providing military intelligence to Iraq during the Iran-Iraq war; and questions and doubts about whether he will be able to remove the ideological blinders reflected in his writings and speeches or whether Mr. Gates is so rooted in the past, that he will not be able to lead the Agency into the post-cold war era. Because of these concerns, I have concluded that Mr. Gates is not the right person for the important job of overseeing our intelligence operations in this New World.

Mr. President, Robert Gates is a career Soviet analyst and former Deputy Director of the CIA who was wrong about what CIA analyst Harold Ford described as "the central analytic target of the past few years: the probable fortunes of the USSR and the Soviet European bloc." And I believe that the committee report points out one possible reason why the CIA failed to predict the collapse of the Soviet Union. According to testimony, Mr. Gates was busy pursuing hypotheses and making unsubstantiated arguments attempting to show Soviet expansion in the Third World, instead of looking for or paying attention to facts that pointed in the opposite direction. Why? Why, as Mentor MOYNIHAN has pointed out, was the CIA able to tell Presidents everything about the Soviet Union except the fact that it was falling apart?

Mr. Gates was also wrong about the Soviet threat to Iran in 1985. The 1985 Special National Intelligence Estimate on Iran stressed possible Soviet inroads into Iran. Gates admits that the analysis was an anomaly. It was a clear departure from previous analyses and almost immediately proven wrong by subsequent events. Gates was involved in preparing that analysis. According to Hal Ford, whose testimony the nominee never refuted, Gates leaned heavily on the Iran Estimate, in effect, "insisting on his own views and discouraging dissent." What was the result? The 1985 estimate was skewed and contributed to the biggest foreign policy debacle of the Reagan administration, the sale of arms to Iran.

Mr. President, Graham Fuller, the CIA's National Intelligence Officer for the Near East, suggested that the 1985 SNIE estimate was based on intuition in the absence of hard evidence. I agree there is nothing wrong with preparing worse case scenarios or using "intuition" as opposed to hard evidence in the preparation of analysis, provided it is made clear to policymakers that the finished analysis is based on intuition and not hard evidence. It is the job of the CIA to sort out fact from fiction, not convert one into the other.

Mr. President, I also have doubts and questions about Mr. Gates' role in the secret intelligence sharing operation with Iraq. Robert Gates served as assistant to the Director of the CIA in 1981 and as Deputy Director for Intelligence from 1982 to 1986. In that capacity he helped develop options in dealing with the Iran-Iraq war, which eventually involved into a secret intelligence liaison relationship with Saddam Hussein's Iraq. Gates was in charge of the directorate that prepared the intelligence information that was passed on to Iraq. He testified that he was also an active participant in the operation during 1986. The secret intelligence sharing operation with Iraq was not only a highly questionable and possibly illegal operation, but also may have jeopardized American lives and our national interests. The photo reconnaissance, highly sensitive electronic eavesdropping and narrative texts provided to Saddam, may not only have helped him in Iraq's war against Iran but also in the recent gulf war. Saddam Hussein may have discovered the value of underground land lines as opposed to radio communications after he was given our intelligence information. That made it more difficult for the allied coalition to get quick and accurate intelligence

during the gulf war. Further, after the Persian Gulf war, our intelligence community was surprised at the extent of Iraq's nuclear program. One reason Saddam may have hidden his nuclear program so effectively from detection was because of his knowledge of our satellite photos. What also concerns me about that operation is that we spend millions of dollars keeping secrets from the Soviets and then we give it to Saddam who sells them to the Soviets. In short, the coddling of Saddam was a mistake of the first order.

Mr. President, I've stated a very simple case for rejecting the nomination of Robert Gates to be Director of the CIA. The fact that he was wrong on major issues which in some instances led to foreign policy debacles. I haven't addressed concerns about the allegations of his politicization of intelligence analysis, his apparently poor managerial style or still unanswered questions about his role in the Iran-Contra affair. Regarding the Iran-Contra affair, I should mention that I was quite disturbed to hear testimony that portrayed Robert Gates as someone concerned about Agency's role and not sufficiently concerned about pursuing possible illegal Government activities. In his opening statement before the Intelligence Committee, Mr. Gates said that he should have taken more seriously "the possibility of impropriety or possible wrongdoing in the Government and pursued this possibility more aggressively." I agree.

I should also mention, Mr. President, that aside from Mr. Gates' poor judgment in not pursuing the possibility of Government wrongdoing more aggressively, I still find it incredible that the Deputy Director of CIA was not aware of that major covert operation. How could such a high ranking official not know about the CIA's efforts to support the Contras? Did he purposely avoid trying to find out what was happening? The testimony seemed to indicate he did. Gates' selective lapses in recall about the affair by a man with a photographic memory raises serious doubts.

The U.S. Congress and the American people depend on accurate and reliable intelligence information. Our expenditures on defense and other areas are often decided on the basis of that information. We cannot afford to waste billion of dollars in the future. After reviewing the record, I do not believe that the Central Intelligence Agency under the directorship of Robert Gates will provide the clear intelligence assessments necessary for Congress to make decisions to deal with the future threats confronting our nation.

Mr. President, I do not believe that Robert Gates is the right person to lead the CIA at this time. The cold war is over and it's time for some of the old warriors to rest. Now we must take a fresh new look at the world, think new thoughts and reassess the future role of the intelligence community. I urge my colleagues to vote against Robert Gates.●

CONFERENCE REPORT ON H.R. 2707, THE FISCAL YEAR 1992 LABOR-HHS APPROPRIATIONS BILL

● Mr. KERREY Mr. President, I rise in strong support of the conference report on the fiscal year 1992 Labor-HHS appropriations bill which includes funding for many critically needed health and education programs.

In particular, I am very pleased that the conference report includes the provision overturning the administration's 1988 gag rule regulations.

On May 23, 1991, the Supreme Court, dominated by Reagan and Bush appointees, upheld the constitutionality of the 1988 regulations which prohibit doctors, nurses, or other health care professionals working in family planning clinics receiving title X Federal funds from providing any information concerning abortion, even when such information is specifically requested by a pregnant woman. The fiscal year 1992 Labor-HHS appropriations bill fortunately includes language that would keep these regulations from being implemented during the 1992 fiscal year.

I spoke out strongly against the Rust versus Sullivan decision when it was issued, and I do so again today. The Federal Government should not be in the business of denying women access to information on all their legal medical options.

Mr. President, the 1973 Supreme Court decision, Roe versus Wade, established the basis for a limited right to a legal abortion. Although a minority of Americans want this legal precedent overturned, a majority does not. It comes as close as possible to expressing the will of the American people on an extremely difficult moral issue.

Our personal ideological and moral principles should guide us in making decisions according to the specific constraints of this ruling. We should not use government to coerce Americans' decisions, unless there is a compelling health and safety reason to do so.

The November 6 Washington Post reports that the administration has circulated a memorandum from President Bush to Secretary of Health and Human Services Sullivan which addressed the criticism that the rule would interfere with the doctor-patient relationship and would deny women their constitutional right to full information about family planning alternatives. The Post reports that the memo stated: "We must ensure that the confidentiality of the doctor-patient relationship will be preserved and that the operation of the title X family planning program is compatible with free speech and the highest standards of medical care."

I could not agree more. If the President truly believes what he stated in his memo, then he should prove it by signing the Labor-HHS appropriations bill with the provision rejecting the legal interpretation by the Supreme Court and guaranteeing that all women will continue to have information on all their medical options.●

PLAYGROUND SAFETY

● Mr. HARKIN. Mr. President, as my colleagues know, I have long advocated the value of investing in our human infrastructure, especially as it relates to prevention. As chairman of the Labor, HHS, and Education Subcommittees, I have a particular interest in any efforts to safeguard the well-being of this Nation's greatest resource—our children.

As a society, we all bear some responsibility for ensuring that our children are allowed to grow and develop in the safest possible environment. Yet, according to the U.S. Consumer Product Safety Commission, last year almost a quarter of a million children under age 15 were treated in hospital emergency rooms for injuries sustained on our country's playgrounds. Injuries that occurred on swings or other playground equipment.

Mr. President, I think we all recognize the physical and social benefits that playgrounds have to offer our children. But it is very troubling to learn that playgrounds can also pose a serious threat to children's safety.

Mr. President, according to the American Academy of Orthopaedic Surgeons, some of the injuries that occur in the playground setting can be prevented by paying greater attention to playground design and maintenance, as well as by closer adult supervision.

Recognizing that an ounce of prevention can substantially reduce the number of injuries to children, the American Academy of Orthopaedic Surgeons has launched a national public education program—called Play It Safe—to increase public awareness of the problem and to call attention to the guidelines of the U.S. Consumer Product Safety Commission.

While orthopaedic surgeons treat a variety of injuries to children and adults, it is important to note that they are also interested in prevention of injuries. I wish to commend the academy for its efforts in this important area. I also want to urge my colleagues to obtain the brochure "Play It Safe: A Guide to Playground Safety," developed by the orthopaedic surgeons, and share it with your constituents.●

ALEX SCHOENBAUM TRIBUTE

● Mr. ROCKEFELLER. Mr. President, I rise today to pay tribute to an outstanding individual and a man who has been a personal friend of mine for many years—Alex Schoenbaum.

On November 21, 1991, the American Jewish Committee's Institute of

Human Relations will pay tribute to Alex Schoenbaum by presenting him with the Sarasota—South Central Florida 1991 Human Relations Award. I can confidently state, without a doubt, that there is not a more deserving individual.

Alex founded Shoney's restaurants, beginning under the name Parkette, in 1947 in Charleston, WV. The name was changed to Shoney's in 1951. In the fifties, Shoney's was "the" gathering place for many Charleston teenagers and before long, that one small drive-in became one of the largest restaurant chains on the east coast.

It was Alex Schoenbaum's strength, determination, and good business sense that turned Shoney's into the enormous success it has enjoyed. But it is his humanity that defines the kind of man he is. He cares a great deal about people. He's always been particularly concerned about the needs of young people, providing thousands with jobs and opportunities through his business.

Alex has always been a philanthropist, and has several programs set up to help people who are in need of assistance. One program, the Schoenbaum Foundation, helps those that are less fortunate in the States of West Virginia and Florida. Another is the Manna-Meal Program, which donates food to the homeless or underprivileged. As an example of his enormous love for the State of West Virginia, Alex established an educational scholarship program at both West Virginia University and the University of Charleston. The scholarship awards 1 year's tuition fees to students in education, in exchange for 1 year of teaching in West Virginia. A similar program also exists in the State of Ohio.

Alex Schoenbaum is dedicated to the improvement of life and the advancement of human character. Although some may view his deeds as transcendent of human kindness, to him it is just a way of life.

I have tremendous respect for Alex Schoenbaum, and I am proud to call him my friend.●

THE 50TH ANNIVERSARY OF THE ATTACK ON PEARL HARBOR

● Mr. RIEGLE. Mr. President, December 7, 1991, marks the 50th anniversary of the "date that will live in infamy." On Sunday, December 7, 1941, America was thrown into the horrors of war by the surprise attack upon American military installations at Pearl Harbor launched by the Japanese Imperial Navy and Air Force. The American military defended their bases bravely, but were caught off guard and could do little against the sizable Japanese offensive force.

The attack on Pearl Harbor left 2,403 Americans dead and 1,178 wounded. It was the only time in the 20th century that U.S. territory was ever attacked. The assault came as a shock to our Nation and jolted our country out of its self-imposed isolation into the position of world leadership which it still holds today.

One day after Pearl Harbor was attacked, the United States Congress met in joint session as President Franklin Delano Roosevelt asked for a declaration of war against Japan. After his address, the Senate retired to its Chamber for immediate consideration of Senate Joint Resolution 116, the formal declaration of war. One of my predecessors representing Michigan in the U.S. Senate, Arthur Hendrick Vandenberg, rose after the resolution had been read. He spoke briefly on the declaration of war. I would like to quote from the final paragraph of his heartfelt comments, as I believe his eloquent words captured the determination of the American people that day:

Mr. President, I am constrained to make this brief statement on my own account, lest there be any lingering misapprehension in any furtive mind that previous internal disagreements regarding the wisdom of our policies may encourage the despicable hope that we may weaken from within. I have fought every trend which I thought would lead to needless war; but when war comes to us—and particularly when it comes like a thug in the night—I stand with my Commander in Chief for the swiftest and most invincible reply of which our total strength may be capable. It is too late to argue why we face this hazard. The record stands. The historians can settle this conundrum upon another day, when we have finished with this task. For now, it is enough that the attack has come. For now, nothing will be enough except an answer from 130,000,000 united people that will tell this whole round earth that though America still hates war, America fights when she is violated. And fights until victory is conclusive. God helping her, she can do no other.

We must never forget Pearl Harbor. As an original cosponsor of legislation designating December 7, 1991, as "National Pearl Harbor Remembrance Day," I believe that it is important to honor the veterans of that attack. They survived that terrible assault, and with the battle cry of "Remember Pearl Harbor," helped lead the United States to victory in World War II. Our Nation turned a corner that fateful December day. While I know that Americans will never hesitate to defend our country from aggression, I pray that we will never have cause to do battle on such a massive scale ever again.●

THE 1991 CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWRY

● Mr. ADAMS. Mr. President, once again this session, I rise to speak on behalf of the Congressional Call to Conscience Vigil for Soviet Jews. I regret that the number of cases of Soviet refuseniks still outstanding requires Members of both the House and Senate to repeatedly come to the floor to make these remarks on their behalf. It is truly unfortunate that we must mark another year with these statements to call attention to the continued difficulties faced by Soviet Jews who wish to emigrate.

The last time I stood here I spoke of Mrs. Alla Iosifovna Makavoz, the mother of David Makavoz, a Seattle resident. Mrs. Makavoz is battling breast cancer and was trying to get out of the Soviet Union to receive treatment. Three days ago Mrs. Makavoz landed in Seattle to be reunited with her family and to receive the advanced treatment for breast cancer she needs so desperately.

For every Mrs. Makavoz, however, there are hundreds of other Soviet Jews trying to get out. The Soviet Union is going through tremendous upheaval. The radical economic reforms being instituted in the Republics will bring tremendous hardship and change. I am concerned that these difficulties may well result in an increase of anti-Semitic incidents, as we have seen before. With the new freedom of expression in the Soviet Union has come greater openness and publicity for extreme nationalist groups like Pamyat to spread their anti-Semitic message of hate and violence. Soviet Jews must be allowed to emigrate now, before these attacks reach the critical levels of the past.

Mrs. Makavoz' release from the Soviet Union is just the beginning of the kind of emigration that needs to happen in the next year. While major reforms are occurring in what was the Soviet Union, and the Government claims to have improved its emigration policies, there are still hundreds of thousands of Jews waiting to get out and thousands of longstanding refusenik cases pending. I cannot express my concern enough. We must get these people out, and we must do it now.

Today, I would like to bring to the attention of my colleagues the case of Igor Bondarev, a civil engineer who lives in Moscow with his wife and child and who first applied for emigration for himself and his family in 1979. The Government refused to grant Igor an emigration visa because his mother, who is a committed Communist and very poor, does not want him to leave. Mr. Bondarev would like to take his mother with him to Israel, but she does not want to go. The Soviet emigration law still contains a clause which allows parents, no matter how old the child is, to keep their children from emigrating. This practice must be stopped. The Soviet Union committed itself to reforming its emigration laws, but it still maintains the right to refuse visas to those whose parents will not allow them to leave and to those who are considered security risks because, at one point in their working lives, they had something to do with defense, State, transportation, or energy enter-

prise. Mr. Bondarev's case is a good example of the obstacles that refuseniks still face in their quest to leave the Soviet Union.

Though thousands have been able to leave the Soviet Union, there are indications that, given the current confusion over the powers of the Central Government and the powers of the Republics, the lack of a functioning legal system in the Soviet Union will continue to delay the exit of these refuseniks. As the Soviet Republics embrace their new-found spirit of democracy they must allow those who wish to emigrate the opportunity to do so. Igor Bondarev and his family have been waiting for 13 years to get out of the Soviet Union. How much longer can we expect him to wait? It is my sincere hope that Mr. Bondarev and his family will be allowed to emigrate soon and that the thousands of other Soviet Jews waiting to emigrate will be allowed to do so, and to do so immediately.●

VETERANS DAY

● Mr. RIEGLE. Mr. President, on November 11, America will celebrate Veterans Day. On this special day, we honor those Americans who have made profound sacrifices in order to keep our country a free and democratic nation. This year, however, our observance of Veterans Day bears extra significance as we formally recognize those Americans who served in the Persian Gulf war.

America is very proud of the troops who served in the gulf. As Americans, our support for these courageous men and women remains true and unwavering. To show our appreciation for their sacrifice, the U.S. Congress extended veterans benefits to those who served in the gulf war. Hopefully, this will help smooth their transition back to civilian life.

As we honor all of America's veterans, I can't help but reflect on the history and evolution of this day. It has been several generations since President Woodrow Wilson proclaimed Armistice Day to commemorate the peace between the Allies and central powers that ended the fighting of the "war to end wars." Tragically, World War I did not end all wars, as Americans who had fought in that war had hoped. That dream was overcome by events—only 20 years later the world once again took up arms. And, once again, Americans were there to fight for the values we hold close to our hearts. Following World War II, President Eisenhower formally changed the name of Armistice Day to Veterans Day, in recognition of those who had fought so valiantly for our Nation.

On a day devoted to our veterans, let us not forget those who remain missing and unaccounted for in the wake of the war in Southeast Asia. More than 15 years after the United States departed Vietnam, the fate of more than 2,000 American service personnel remains unresolved. Let us take time on this day to renew our commitment to finding a solution to this national tragedy.

As our World War II and Korean war veteran population ages, we must be sure that our VA medical facilities are equipped to meet the special needs of these veterans. In Michigan, efforts are in progress to ensure that this fundamental requirement is met. The recent ground breakings for the construction of a new VA hospital in Detroit and for a 120-bed nursing home addition at the Saginaw VA Medical Center are just two examples of the efforts underway to meet that growing need. And, as the new outpatient clinic nears completion in Grand Rapids, MI veterans can be assured that the entire State will move into the 21st century with modern veterans facilities. Finally, we must ensure that the VA medical care budget is not reduced. Today, I added my name to a letter to President Bush signed by more than 20 Senators which expresses strong support for increased funding for VA medical care and health related research.

Veterans Day means many things to all of us. It is a reflection of the pride we share in the men and women who have kept our Nation free and strong. It is an indication of the deep respect we hold for those who have risked their lives for American democracy. On this Veterans Day, let us express our sincere thanks to our fellow Americans who valiantly served abroad in the U.S. Armed Forces.●

TRIBUTE TO SURVIVORS OF PEARL HARBOR

● Mr. LIEBERMAN. Mr. President, I rise today to honor the memory of those who lost their lives during the attack on Pearl Harbor, and to pay tribute to the men and women who survived.

On Veterans Day, 1941, Americans reflected upon what they believed was the war to end all wars—World War I. Less than a month later, without warning, on December 7, 1941, the Japanese attacked Pearl Harbor. In a matter of hours, 2,403 Americans had died and 1,178 were wounded.

The response of the American people was immediate. We were horrified and outraged over this unprovoked assault, and we were ready to retaliate. We threw our support behind the Allies, fighting against Hitler and Mussolini in Europe and the desert, and the Emperor of Japan in the Pacific.

We fought World War II for a multitude of reasons: to defeat fascism, to prevent unchecked aggression, and to halt the murder of millions of Jews. We also fought World War II for the men and women of Pearl Harbor.

We hoped World War II would be our final conflict, but unfortunately the United States has been involved in a number of battles around the globe. Every generation has sadly added loved ones names to the roll of those we honor on Veterans Day. Recent events in the Persian Gulf forced us to, once again, look directly into the eyes of a dictator. Fifty years later we did, in fact, remember Pearl Harbor. We remembered Pearl Harbor in the most fitting manner possible—we avoided a similar disaster. This time we were not caught short and unprepared. This time we did not bury our heads in the sand; instead, we drew a line in it and stood fast.

Mr. President, I rise today to honor and thank all veterans. As we commemorate the 50th anniversary of the attack on Pearl Harbor and pay tribute to the survivors of this conflict, we are reminded of the contribution all veterans have played in the defense of our country. We should not only remember those who perished, but those who survived. Veterans continue to keep our Nation free, and for this we owe them our lives, our liberty, and our freedom.●

UNEMPLOYMENT INSURANCE

Mr. MITCHELL. Mr. President, the distinguished Republican leader and I, and others, have today discussed on several occasions the status of the unemployment insurance matter. I have previously, with other Democratic Senators, announced our intention to introduce a bill today, which we will do today prior to the close of business, and which we will be addressing in the near future.

I understand that the distinguished Republican leader wishes to address that subject now and, therefore, I will momentarily yield the floor and state that I look forward to continuing our discussions with him, and I hope that we are going to be able to bring this matter to a successful, satisfactory conclusion in the near future.

I will be, later this afternoon, shortly, when we get the bill ready, introducing that bill and having a statement on it at that time.

The PRESIDING OFFICER. The Republican leader is recognized.

BANK CARD RATES DEFY ECONOMIC GRAVITY

Mr. DOLE. Mr. President, it is no secret that America is searching for ways to increase consumer confidence and to build a strong economic recovery.

The Federal Reserve Board helped in this search by cutting the discount rate to 4.5 percent—the lowest rate since January 1973.

In turn, many banks are helping out by cutting their prime rate to 7.5 percent, less than half of the 1981 average prime rate of 19 percent.

One group, however, seems reluctant to do their part, and I am hearing from

an increasing number of Americans who are wondering "why?"

Why, despite the drops in discount and prime rates, does the average bankcard interest rate remain at 18.9 percent—higher than the 18.5 percent rate of 1981.

Why are far too many of the 97 million Americans who have a credit card stuck with paying these staggering interest rates?

The banks cite many reasons—including the need to make a profit, and rising delinquencies and bankruptcies—for the fact that credit card rates always go up—completely defying the laws of economic gravity.

Let there be no doubt that I am completely in favor of businesses making a profit, but I would point to numbers from the bankcard holders of America, stating that the ratio of bad debts to credit card receivables is much lower now—2.9 percent—than it was in 1981, when it was 5.1 percent.

I would also point to the fact that many bankcards almost invite bad debts by blanketing the Nation with credit applications, without regard to an individual's creditworthiness.

Banks also contend that the credit card market is competitive, and that consumers are free to shop for better deals. There are 6,000 different financial institutions issuing bankcards nationwide, with interest rates ranging from 10.5 percent to 24 percent, and I would certainly urge consumers to shop around and find the best deal.

All I want to do this evening—and Senator DOMENICI and I might have something else to say on this subject next week—is to suggest that the bankcard companies should make it a little bit easier for consumers to find that fair deal.

UNEMPLOYMENT INSURANCE EXTENDED BENEFITS

Mr. DOLE. Mr. President, on the matter of unemployment insurance extended benefits, I might say there have been a lot of discussions about unemployment and extended benefits for the past several weeks—in fact, since on or about August, September.

Some have suggested that President Bush does not care or does not have a plan of his own. I would just for the record—not for any partisan debate—point out that the President has been willing to sign our proposal 3 months ago because it paid for itself.

There have been lots of discussions. We sent it down to the President twice. It has been vetoed twice, and the veto has been sustained in the Senate twice.

I think there is a growing consensus now across the board, across this spectrum, across party lines, that we ought to get together, work out a plan, a plan that President Bush will sign, something that pays for itself, and something that gets the checks flowing to the unemployed workers in Nevada, Kansas, Mississippi, wherever they may be.

So it is my hope that by next weekend that will happen and it will happen if we can come together and drop the politics on each side, get down to work, and try to find some common ground.

Today, the majority leader, Senator BENTSEN, and others offered their proposal—another proposal. It would cut foreign aid. We are still studying that proposal. We do not have the language yet. It has not been introduced. But we will be studying that over the weekend.

Certainly, cutting foreign aid is very popular. Most Americans like to cut foreign aid, but I am not certain yet whether all countries are treated alike or whether exceptions are made for some that may have more influence or whether we are saying to the American people, well, we treat some foreign countries better than other foreign countries, we treat some foreign countries better than Americans.

That is what the American people are disturbed about. They say we spend too much money abroad, too much time focusing on foreign events and problems in countries like that.

So we want to make certain that no country is singled out for special treatment. Let us treat everybody alike. We treat all Americans alike. So if we go down the road, if we are going to make exceptions for this country, that country, then I think we have a problem.

Also, I understand, based on a very cursory review of the Democrat's plan, they depend on a declaration of an emergency because the bill itself does not pay for itself each year. So it would be in violation of the budget agreement.

It is also our understanding that the bill still uses what we call the total unemployment rates so that students and teachers on summer vacation and people who voluntarily leave their jobs will be included in the count.

We do not think that is a fair way to approach this issue. We have some suggestions. We hope they will be looked at carefully. The majority leader indicated certainly he is willing to look at suggestions for improvement.

So I would just suggest we do not want to do anything but try to work something out. We also have to keep in mind that a bill like this should originate in the House. I know that the House Republicans and House Democrats do not like the cafeteria approach.

Under the Democratic plan you have three choices: You can declare an emergency, you can freeze or reduce foreign aid, or you can pay for it in other ways that we are working on—by speeding up collection of income taxes and extending certain provisions that applied to student loans.

It is my understanding that generally on the House side, in both parties, they believe that that is not an appropriate approach. I must say I confess I had that suggestion in debating earlier on this floor the last time around that maybe we ought to put the Democratic package and Republican package together, send it to the White House, and let the President make his choice so we get checks in the mail.

So I am not suggesting it is a bad idea because it was not a bad idea when I suggested it. I am suggesting my understanding the House side prefers to have one bill, and if we are going to do anything, if we have to send the President two options, they ought to be in separate bills, not just one package.

So I would suggest that we ought to agree to a single approach, not sort of government by multiple choice. And we ought to start negotiating. I know there is a desire on the other side of the aisle not to change anything in the original Bentsen benefit package.

Now, it seems to me that if there is no-give there, then we may have some difficulty.

In the final analysis, we are going to be able to do this and do it the way we should do it if we can beat off all amendments that might have some impact. But I am not certain we can do that until we can have some agreement, some bipartisan agreement, agreement on both sides of the aisle, that this is the package we agree to.

In fact, the President called me today. There was some allusion earlier, some criticism. The President happened to be in a very important NATO meeting in Rome. If he were not there, he would be criticized. He is there. It is very important for the United States when we look at the future defense of the world, future defense spending, and it is very important the President be where he is today. But one of my colleagues was taking a cheap shot at the President of the United States, saying, well, he is in Rome today.

The President called me, notwithstanding the duties he is undertaking for all Americans and freedom-loving people around the world, to ask me about the unemployment bill—whether we were making any progress, whether I thought we could work something out.

I want to point that out, because he has been following it almost on an hour-by-hour basis since he left here yesterday morning. So there is an interest all around, it seems to me, at this point: Republicans, Democrats, House, Senate, the executive branch.

I also want to thank Mr. Darman, the OMB Director. He has been in my office nearly all day, along with the Treasury Secretary. They have been meeting in my office. They have been meeting in Congressman MICHEL'S office, the Republican leader of the House. They met with Republican members of the House Ways and Means Committee, Republican members of the Senate Finance

Committee. Mr. Darman met with Senator BENTSEN earlier today.

The point I would make is it seems to me we are finally getting a little consensus here that we ought to get this done. And you never get everything you want. This side will not get all we want. On the other side, they will not get all they want. But the bottom line is we want to get the checks out to the American men and women who are unemployed. We believe the sooner we can do that, the better.

But keep in mind one more thing. If the House has a different idea and if the House originates the bill, then I think we should watch very carefully what Congressman MICHEL, the Republican leader, and Chairman ROSTENKOWSKI of the House Ways and Means Committee, may originate. It will be interesting what they do in the next few days.

It would also be my hope that key staff would work on some of the problems we are going to find in some of these approaches over the weekend, so when we come back here on Tuesday we are going to be in a position to start moving the bill forward and not start on next Tuesday trying to work out some differences and to go on into the next week.

So it is my hope, working with the majority leader, with the chairman of the Finance Committee, the ranking Republican on that committee, Senator PACKWOOD, and other members on this committee and other Members on each side of the aisle—and I would say particularly those on this side of the aisle, those who stuck with us on vetoes—to get a good bill that will be beneficial to all unemployed men and women in America.

Mr. President, I yield the floor.

Mr. LOTT. Mr. President, first I want to thank the distinguished Republican leader for the comments he has been making about the unemployment benefits extension. This matter has gone on far too long. There are people in my State of Mississippi and in Kansas and other States that do need these extended benefits. So I am pleased to see that there is activity going on now across the aisle in an effort to try and find a proper solution.

There is no doubt in my mind the President is interested in this and wants to find a solution. It is time that any politics which may have been played with this issue be put aside. In fact, it is overdue. I am pleased the President is forcing this issue. I am pleased that we are looking for other solutions to try to solve this problem.

But the solution is not to use this as an opportunity to break the budget. While it is perfectly all right with me to take foreign aid to pay for unemployment extensions, I have looked at what I understand may be in this new package and it is not real money, I am afraid. I am afraid the savings would not be there in the foreign aid area to actually pay for the extension of these unemployment benefits. But, I am willing to look at that.

I would much prefer that we go with the proposal that our distinguished Republican leader developed earlier, a process to pay for it. The Senator from Texas, Senator BENTSEN, has had a proposal. Maybe a combination of the two. But something real to pay for this. And let us get this job done.

Anybody that wants to say, "Oh, the President has not been properly responsive in dealing with this," let me assure you if we will send a package to him, a reasonable package that will get the job done that is paid for, he will sign it Monday morning, or as soon as he gets access to it.

I think it is time we do this job and I would urge the leaders on both sides of the aisle to quit playing around with this thing and let us get it done so that the people that need help can get it.

DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. LOTT. Mr. President, I feel that the Armed Services Committees, House and Senate, and the conferees did a pretty good job in developing the conference that we probably will be considering next week. It has not been finally completed, but we are down to the final sections that are in debate. It is not a conference report that I am perfectly happy with because, quite frankly, it has too many cuts in it. We are trying to comply with the budget that will require us to reduce defense spending by 25 percent over the next few years. The money in this bill for shipbuilding is not as much as I would like for it to be.

There are cutbacks in ships. There are cutbacks in personnel. We are reducing spending overseas. There are base closures. And all of these reductions are having an impact.

I think one of the problems with the economy right now is that we put 85,000 military and civilian employees of the Department of Defense out into the economy. Now they are out there looking for jobs. You cannot take jobs, you cannot close down bases, and expect it not to have an impact on the economy of this country. But we are doing what we agreed to do.

I am particularly pleased with what this bill does in the Strategic Defense Initiative area. I think that the chairman of our committee, Senator NUNN of Georgia, should be commended for the work that he has done, and our ranking member from Virginia, Senator WARNER. They worked very hard at reaching the SDI agreement as well as other provisions of the bill.

But there is one provision that we are still considering that I think is a great big mistake. The military budget is not this great big bucket of gold from which we can all begin to dip for money to spend on other programs that we would like to advocate. We should not set up a process whereby we can take a billion dollars of the American taxpayer's money from defense of our own country and say it can be spent in the Soviet Union. Before I get into specifics I want to make it clear my main objection is to the whole concept of using defense dollars to aid the Soviets. If you get into the details, you can say, well, maybe you could justify some money here, maybe you could justify some of that. But we need to be thinking about what we are doing here.

This is another dip out of the defense budget, a billion dollars. But this time it is for the Soviet Union. Do the American people want that? If we are going to reduce our defense spending, would they not prefer that it be spent someplace else? Could we not spend it on health care in America or for unemployment benefits or for retraining of Americans? There are so many programs in America that could certainly make better use of the money.

What about this democracy dividend that we have talked about? If we decide we do not need to spend this money for defense, let us return it back to the American people in the form of middle-income tax cuts. We have been talking about that. There are many, many things we could be doing with this money that I think would be much better than aid to the Soviet Union.

But I will tell you, talking about the politics of it, I urge my colleagues to stop and think about going back home, wherever it may be in America, and defending a decision to take a billion dollars out of our defense budget and spend it in the Soviet Union for any purpose. Be careful. Make sure you realize that the Soviet Union is still spending astronomical amounts of money for defense in their country. They continue to build the next generation of military weapons—nuclear weapons.

I do not understand. We are going to take our defense money and spend it in the Soviet Union to help them while they are taking their own defense money and building the next generation of weapons? That is insanity.

Mr. President, this is a public relations disaster. I urge the conferees on both sides of this building: Drop this provision. It is bad idea. It is a bad policy. It is bad politics. It has not been properly thought out. There are too many questions involved. If we are going to do this, let us do it headon. Just face it right up front and say, "Look, we are going to provide funds."

If we want to provide food aid for the Soviet Union in this difficult winter, I am very ready to be helpful. I have already voted for that once, in the form of grain. But this approach has all kinds of problems. We have not really had a chance to consider the specifics of this proposal.

Many Members of the Senate Armed Services Committee did not even see it until 8 o'clock last Thursday night. And when we started asking questions, we found a lot of problems that concerned us.

Once again, I would want to make absolutely sure that before we start spending money from our defense bill in the Soviet Union, that we make sure that the republics—many that they are now, and with a questionable common bond—are actually reducing their nuclear threat to America; that they are not spending as much money on their own military weapons.

Let us have some tightening up of this provision's preamble to guarantee that they are not spending money on destructive weapons while we are giving aid to feed them or to retrain their military troops. So that is the first thing I think we have to be very careful about.

My next problem: It says in order to determine where we would spend this money, we need a blue ribbon panel consisting of government, business, and academic experts. Another panel; great. That is all we need. Another committee; that will solve the problem.

But it does not say who goes on this panel or how they are selected or who they would answer to. So I would have a lot of questions about that particular provision.

Also, this would provide that money could go for humanitarian aid. It could go for retraining Soviet military officers. How can we fund a grand unemployment and retraining plan for the Soviet military, when we are not doing it for American military people losing their job? This says the President shall obtain the assurances of the Soviet Government that the fissionable materials and other components of nuclear weapons be destroyed pursuant to that program; that they will not be reused in new nuclear weapons.

That is pretty broad and pretty mild, in my opinion. I would want some greater guarantee as to what is going to happen with these nuclear devices that might be taken down.

If we can limit this in some way, only to maybe technically assisting the Soviet in the dismantling of their nuclear weapons, then we ought to consider it. But I would want to know where the money is going to come from, and who is going to make that decision. And I would want to know once again what are the Soviets doing to help themselves.

There is a provision in here that says we are going to help the Soviet Union with environmental cleanup. As a member of the Armed Services Committee, I can tell you this: We are closing bases in America where it is going to take hundreds of millions—even billions—of dollars for environmental cleanup, and the money is not there. It is not there.

I want you to explain to our citizens in Indiana, Ohio, Louisiana—wherever it may be—that we are closing your base and oh, by the way, you have environmental problems, but gee, we are sorry, we do not have the money. And maybe we do not have the money because we are helping the Soviets with their environmental cleanup.

Mr. President, where are our priorities? This is crazy. At least let us make sure we understand what we are agreeing to before we go forward with this particular program.

There are too many questions I have about this proposal. I am not questioning the leadership on our committee. They were having to deal with the proposal that came from the other body.

Many people in this city and across America, including the Secretary of Defense, said when this idea was suggested it was a harebrained idea.

Now, all of a sudden people say, well, gee, if it is discretionary, it is OK; we will work it out later.

It is still a harebrained idea. Let us be specific; let us make sure we understand what we are doing; let us know what the Soviets are doing; and let us limit where this money will go if it is to be used at all.

I also predict if we do this, this is only the first dip in the Pentagon budget. There will be more and more problems developing. In fact, one of the problems here is it says we can take DOD money to pay for other departments' or agencies' expenses. Does that mean Department of State? I do not want the Department of State dipping into the defense budget.

This gets into foreign affairs. There is a multitude of problems.

Mr. President, we need to have the defense authorization conference report completed so we can go forward with the appropriations bill. I am beginning to wonder if our authorization is even needed around here anymore, if they are not going to do their job. The appropriators have to go forward. The problem is the authorizing committees take too long.

Here it is November 7, and we do not have a Department of Defense authorization bill. Where have we been all year? The appropriators are ready to go. They are waiting on us.

Let us complete it. We have a good conference report that has been laboriously worked out. There is a lot of involvement in how it is crafted. And then we have this thing come out at the last minute, $1 billion for the Soviet Union. We do not know what it is going to do, we do not know what the Soviets are going to do, and it is holding up the whole process.

Mr. President, let us dump that provision. Let us talk about it in a different forum. Let us think about it very carefully, and then let us approve the defense authorization bill.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. 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 RECESSION

Mr. MITCHELL. Mr. President, last Friday the Labor Department reported that the unemployment rate rose again. The Index of Leading Economic Indicators fell slightly. Both facts indicate that contrary to what the President has said, the recession is not over.

Instead, the recession continues. The downturn that began in July 1990 continues to sap the American economy. It has been throwing Americans out of work for 16 months. In the past month alone, more than 400,000 working Americans have put in applications for unemployment insurance each week, and there is no end in sight.

The Democratic Congress has acted twice to provide extended insurance coverage. The President ignored the first bill. He vetoed the second one.

Now, at long last, the President has begun to see what American workers have faced for over a year. The President has now seen that there is a recession.

Now he says he wants to act, but he still does not have a plan of his own. So he has asked the Congress to provide him with one.

I continue to believe that these extended unemployment benefits should be declared an emergency, an emergency just like the President asked be declared to help many people in many foreign countries. As I have said often before, I think American workers should be treated as well as foreigners by the American Government.

The President was willing and eager to declare emergencies to help people overseas, but he will not do so for Americans. We think that is wrong. We should use a portion of the $8 billion surplus in the unemployment insurance trust fund to pay for these extended benefits. That is why the trust fund was created, and that is its intended purpose.

But the President has twice denied the use of the unemployment trust fund. If the President insists on paying for the benefits from some other source, we are prepared to let him do so, even though we do not agree that it is necessary. For us, the overriding need is to provide extended benefits to the millions of American families who need them, who are eligible for them, and who have earned them. It is time for Americans to take care of our own.

If the President chooses not to declare an emergency, the legislation we will shortly introduce would allow him

to offset the costs from either of two sources.

He could elect to offset the cost of the unemployment benefits by a modified freeze on spending on foreign aid and State Department operations, or he could elect to provide the funding in the manner previously suggested by Senator BENTSEN, which will increase revenues by changes in tax law.

That means, Mr. President and Members of the Senate, that we are offering the President legislation which will provide extended unemployment benefits and give him three options on how best to deal with that. The first would be to declare an emergency, which we think is the right course, but it is a course which the President has previously twice rejected. The second is to pay for it by a modified freeze on spending on foreign aid and by the State Department. And the third is by changes in tax law which will increase the necessary revenues.

As I said, we believe the President should reverse his previous position and declare an emergency. If he chooses not to do so, if he chooses not to use the trust fund created for this precise purpose, he can either restrain foreign aid or increase revenues. The choice is his.

I want to make it clear that in the alternative with respect to the State Department and foreign aid, I am not suggesting an actual cut in foreign aid. What I am suggesting is that the amount of increase in foreign aid over the next 4 years be less than would otherwise occur. Scheduled funds would be available to honor all of our commitments to important foreign policy goals.

I can best explain this through the use of just two figures. Under current law, if there is no change, foreign aid and State Department spending would increase by $5 billion—that is, $5.9 billion over the next 5 years. Let me repeat that. Under current law, if there is no change in law, spending for foreign aid and for State Department operations would increase by $5.9 billion over the next 5 years. This alternative which we propose, instead, would permit that increase to be by an amount of $2.5 billion, so there would be an increase above the current level of spending for foreign aid and State Department operations, but it would be a lesser increase than would be the case under current law.

This would not affect grain sales to the Soviet Union and there would be sufficient funds to accommodate loan guarantees to Israel.

This modified foreign aid freeze would provide funds for what I think is a higher priority, the needs of American families, the needs of American workers.

I am very disappointed that the administration opposes this alternative. I ask the President and the members of his administration what is wrong with spending a little less, with having a little less of an increase in foreign aid so that we can provide unemployment insurance benefits to American workers who need them? I emphasize we are not even cutting foreign aid, although many Americans would say you ought to cut it. What we are saying is instead of having foreign aid go up, increase by nearly $6 billion over the next 5 years, let us have it increase by $2.5 billion, and to use that difference to pay unemployment insurance to American workers who, through no fault of their own, have been thrown out of work, whose benefits have been exhausted and who now face a harsh winter with no income.

Mr. President, the other alternative, the third alternative, besides declaring an emergency or having less of an increase in foreign aid——

Mr. SARBANES. Will the majority leader yield for a question?

Mr. MITCHELL. Yes, certainly.

Mr. SARBANES. Do I understand that representatives of the administration rejected the notion of reducing foreign aid.

Mr. MITCHELL. That is correct.

Mr. SARBANES. Actually, It is not a cut in foreign aid, it is just that it would not be as much of an increase as would otherwise be expected to take place. They rejected the notion of taking some of what otherwise would be an increase and using it to deal with the problem of the unemployed?

Mr. MITCHELL. I am advised that administration officials are opposed to this provision.

Mr. SARBANES. But this is the same administration that earlier this year came to the Congress and asked us to find an emergency so they could send assistance overseas, and then would not find an emergency in order to help our people here at home, is that not correct?

Mr. MITCHELL. That is correct.

Mr. SARBANES. In fact, I see the chairman of the Budget Committee here on the floor, who was involved in that budget arrangement that provided the emergency declaration. Is it not correct that the administration this year asked the Congress to find an emergency so they could spend money outside the budget agreement and send it overseas?

Mr. SASSER. Indeed, they did. The administration asked the Congress to cooperate in finding an emergency so they could send foreign aid money to a number of countries in the Middle East. And I think there is also a proposal to send money to Cambodia if I am not mistaken.

I might say to my friend, in the last 10 years this Nation's spending for foreign aid has doubled. We gave $11 billion in economic and military assistance to foreign countries in 1981. By 1991, that had doubled to $22 billion.

Incidentally, along the way our national debt has tripled in that 10 years. State Department funding—and this is funding for the State Department, just one area of foreign aid spending—has grown by 125 percent since 1982—60 percent growth in real terms in State Department spending.

Now all of our other nondefense discretionary programs, programs for education, building highways, a whole host of programs have experienced only three-tenths of 1 percent of real growth—three-tenths of 1 percent of real growth while the State Department budget has grown by 125 percent.

Mr. RIEGLE. If the Senator will yield for a minute, I suspect if you want to be a foreign policy President, as President Bush obviously wants to do, traveling again today over in Europe, you probably have to have a checkbook in it with about $22 billion worth of checks in there, so when you go around the world you can help people as you go. We need a little help here at home.

Mr. SASSER. I agree.

Mr. MITCHELL. Mr. President, I thank my colleagues. If I might complete the remainder of my brief statement.

The revenue option that the President can invoke to which Senator BENTSEN earlier referred has three components. First is the collection of delinquent student loans. Second is the extension of the FUTA tax in 1994 and 1995. Third is an estimated tax provision.

Mr. President, the Congress has been attempting to pass this vital legislation for 4 months. It should be clear to all that what we want is a bill which provides benefits to needy Americans, needy American families who are out of work during these difficult times through no fault of their own. This proposal gives the President the choice. He can either do what we said he should do and which he has refused to do—that is to declare an emergency for Americans.

Even though he has repeatedly declared emergencies to help people overseas; he will not do it for Americans. If he continues in that refusal, then he can agree to pay for it through a modified freeze on foreign aid, again a lesser increase than would otherwise occur on foreign aid, or he can increase revenues in the manner suggested in Senator BENTSEN's plan.

I have discussed this matter with the distinguished Republican leader, Senator DOLE. He is considering it. He has made no commitment to me on it. But we do intend to continue these discussions.

We hope that we can act promptly on this matter, and hope that we can have broad bipartisan support and the approval of the President because the one thing we feel most strongly about is that American families in need should

be helped. Right now there are millions of American families in need. That is our objective.

Mr. President, a very important point to be made: The benefit level under this bill is the same level as in the bill the President vetoed. We will not agree to any benefit level less than that amount. Not 1 week less, not 1 day less. That is the absolute minimum that we think is critical.

It is important to note that the level of benefits in this legislation is less than the level of benefits in any recession in the last 25 years. During the past quarter century, in the three major recessions that have occurred, the level of extended benefits was 29 weeks, 39 weeks, and 26 weeks. The level of benefits in this bill is 20 weeks, less than in any recession in the past quarter century. The President says that is too much. We think it is actually too little. We are prepared to go to that amount, not one bit less.

Mr. President, this legislation offers the President three reasonable options. But if he refuses and if he chooses to reject all three of these options and vetoes the bill, we will of course attempt to override that veto so that benefits will still get out to unemployed Americans.

If the President's veto is overridden, he will still have the three options on that same day; that is, to declare an emergency, reduce the increase in foreign aid, or increase revenues under the Tax Code. Should he not take action on that day, then the legislation provides for the spending to be declared an emergency.

Just so that is clear, if we pass the bill, the President would have the three choices. If he rejected all three and vetoed the bill and we overrode the veto, on the day of the override, he would still have all three choices. If he refused to exercise any of those choices, then the bill provides that it would be declared an emergency.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I now ask unanimous consent that Senator BENTSEN, myself, and others, have until 9 p.m. today to introduce the bill relating to extended unemployment benefits; that the bill be considered to have had its first reading; that its second reading be deemed to have been objected to and that the bill be placed on that portion of the calendar reserved for items read the first time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, that was cleared in advance with the distinguished Republican leader.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I thank the Chair. I will be very brief.

Mr. SARBANES. Will the Senator yield for just a moment?

Mr. RIEGLE. Yes, of course I yield.

THE RECESSION

Mr. SARBANES. Mr. President, I want to commend the majority leader not only for the piece of legislation that he will be introducing later this evening, but for the major address which he gave last week on a Democratic plan for economic growth.

Mr. President, the majority leader in that plan set out a number of measures to help bring back economic growth and restore economic prosperity in this country: A middle-income tax cut; an incentive to help first-time home buyers so we could encourage economic activity and address this disastrous result in the trend in home ownership in this country; an interest rate and credit policy that would enable businessmen to obtain credit; the enactment of a major transportation bill; the reform of the unemployment insurance system, which of course he has spoken to specifically here this evening; a health care proposal to provide affordable health care for the American people; and a long-term economic growth plan by increasing investment in education, worker training, research and development.

That is a comprehensive, full scope economic plan for America. I want to commend the majority leader for offering it. We have not gotten it from the President of the United States. The leader of the executive branch of this Government has not given us an economic plan. He has not even given us a proposal on unemployment insurance benefits. All he does is veto or reject the efforts on the part of the Congress.

Health care: There has been no proposal out of this administration for a health care plan.

He does support the transportation bill. I concede that. The administration is supportive of the transportation bill.

But this is a comprehensive plan that the majority leader has offered, to help get growth going in America and restore prosperity.

I want to commend the majority leader for that major statement on October 31. It is a very powerful statement of a Democratic plan for economic growth in this country.

Mr. MITCHELL. I thank my colleague.

Mr. RIEGLE. Mr. President, I also want to join in commending the leader for his leadership on the extended unemployment benefits bill as well as this comprehensive economic plan just referred to by Senator SARBANES.

It is interesting. Senator SARBANES makes reference to the fact that President Bush has not offered an economic recovery plan. The administration has an economic plan in Mexico. It is called the United States-Mexico Free Trade Agreement, and is designed to create jobs in Mexico essentially by taking the jobs out of the United States.

The President also has a jobs plan for China, the most-favored-nation trading status with China. China has a $15 billion trade surplus with the United States this year. That means they are taking 15 billion dollars' worth of jobs out of our economy and taking them to China.

So the President has an economic plan for virtually every country in the world except this one.

And the same is very, very much true in the area of health care. The Senator from Maryland mentions the fact that the majority leader has offered with several others as cosponsors a comprehensive national health insurance plan. The administration has been in power now 11 years and has not been able to develop a health care plan. It was 8 years of Reagan and Bush and now 3 years of Bush and QUAYLE. That is 11 years: No health care plan; nothing in terms of an initiative to try to provide a comprehensive health insurance plan for the people of this country.

But with respect specifically to the extended unemployment benefits, the package offered tonight by the majority leader, cosponsored by many of us, is urgently needed in this country.

We have high unemployment. We have millions of workers that have exhausted their unemployment benefits, that have been out of work over 6 months, have not been called back to work, cannot find other jobs, and are desperate because of a lack of income. Many are losing their homes and cars. Families are being broken apart. In many cases, they do not have food to be able to feed their children.

I have a front page story from the Detroit Free Press of 2 days ago, and the headline is: "Right to Survive Is at Stake."

"As the mercury falls, the shelters for homeless fill up," it says. There is a picture of a woman standing on a street corner begging for money from passing cars here, saying "Please help. I will work for food. God bless you."

Another woman down below is also out trying to get donations from people. One woman needs $80 for her rent. Another needs $40 for the rent. They do not have the money, and they cannot find the work. This is the problem we are facing in Michigan. I have 170,000 unemployed workers in my State who will receive extended benefits under this legislation.

We have passed it twice. The President has turned it down twice. We are offering it a third time. We give him the choice of three different ways to finance those benefits. He ought to be able to pick one of those three ways to do it.

People like this, who have worked all their lives, who cannot find work, are in desperate circumstances. They need help. One of the reasons that all these homeless shelters are filled up is that these are not just vagabond people, many of them had jobs 4, 5 months ago, but they do not have jobs now. They have exhausted their savings, and they have been put out on the street, and they need help. It is time for this Nation to help.

So I salute the majority leader for his initiative. We have to get it passed again, send it down to the White House; and this time I hope the President will decide that it is time to respond to this urgent need in the United States. The people of the country need this help. They deserve the help. We have given the help to all these foreign countries. It is time to help our own.

I yield the floor.

The PRESIDING OFFICER. The Chair requests, in his capacity as the Senator from Washington, that he be added as a cosponsor to the legislation.

Does the Senator from Michigan yield the floor?

Mr. RIEGLE. Yes.

Mr. SARBANES addressed the Chair.

Mr. SARBANES. Mr. President, I want to commend the Senator from Michigan for his very powerful statement and the very strong leadership he has shown on this very important issue.

I must say to the Senator from Michigan that I actually expected the President to declare an emergency and let the benefits flow to the unemployed in August when we sent the bill to him. I know the administration made noises about not doing that, but I had hoped, up until the last minute, that the President would do it. I cannot, for the life of me, understand why the President did not do that.

After all, it was this President who came to the Congress earlier in the year, asked us to join with him in finding an emergency, so he could send assistance overseas. The Congress acceded to the President's request to make that possible.

In this instance, we were asked the President to join with us in a determination that an emergency existed here at home, an emergency with unemployed workers who have exhausted their benefits. In every other recession, we have paid these extended benefits.

Referring to this chart, this is the Carter years, and this is the Reagan years.

Mr. RIEGLE. These are the extended unemployment benefits?

Mr. SARBANES. The monthly average of extended unemployment benefits. You can see what happened. In each instance, it went up significantly. This is under President Bush, during this recession. Hardly anyone is receiving benefits.

Mr. RIEGLE. I almost cannot see it there.

Mr. SARBANES. I can understand that. It is very difficult to make it out.

Look at this in contrast with what happened in the previous recessions. When we raise these benefits, it is being done at a time when the trust fund has these large balances in it. The premise of the unemployment benefit trust fund is to pay into it when unemployment is down. When things are good, you build up a surplus, and then you use it when you hit a hard time. Then you do not have the whole problem of how you are going to pay for the benefits.

The system was constructed to answer that ahead of time by building up the surplus. So you paid into it, and the money was there to be drawn upon when the recession came, and you had to pay the unemployed, and the unemployed would not be left out there without any benefit. If there was no money in the trust fund, then we would have a problem on our hands in dealing with a recession situation. That is not the case.

Mr. SASSER. Is the Senator saying that here in a recession that started in July 1990, and is now almost a year and a half in progress, that we are building up a surplus in the unemployment insurance trust fund?

Mr. SARBANES. The Senator has perceived a very important point about this chart. That is, not only are we not using the surplus in a recession that was in the trust fund for that purpose, but to compound the felony, we are building the surplus up right during a recession. I mean, there is nothing that is more counterproductive than to be in the process of adding to the surplus right in a recession when you have millions of people desperate for extended benefits.

Mr. SASSER. Just examining the chart there, the fact that we are building up a surplus in this recession, I contrast that with what is shown on your chart there, the recession of 1983. It appears that the fund at that time was utilized for what it was intended to be utilized for—it was being drawn down.

Mr. SARBANES. It was drawn down during the heavy Reagan recession, and it started to build up again, as we came out of that recession and had better employment. It continues to build up. This administration is the first one not to extend the benefits.

We only show the three previous recessions on this chart. But if one went back and showed all those recessions since the end of World War II, you would have a similar situation, with the number of people drawing the extended benefits going up during each recessionary period. The numbers go up, and you draw down your surplus. Then you build it back up again.

Look what happened here in this recession.

Mr. SASSER. If I understand the Senator's chart here, we have the recession of 1974 when President Gerald Ford was President. We have the persons receiving extended unemployment insurance benefits spiking up to a very high spike there, and we see it going down as the recession abates after President Carter took office, and then we see it spiking up again in the recession of 1979, going down again, and spiking up in the recession under President Reagan in 1982.

But here in this recession, why, it is no higher, apparently, than it would be in a time of prosperity.

Mr. RIEGLE. If the Senator will yield at that point, what is going on here is that the administration has tried to pretend there is no recession. In other words, they wanted to say there is not one. I think the Senator from Maryland has a quotation from Mr. Darman, the Budget Director, who, a few months ago, spoke out against any extended unemployment benefits, because he said there was no recession. Of if there was, it was all over, and people did not need extended benefits, and nothing should happen.

So what they have, in effect, done is tried to pretend all along that the problem either was not there, or was not as bad as we know it to have been then and now.

Now they finally have been caught short, because it is so obvious across the country. You look at polling data, you have 70 percent of the people of the country saying the economy is on the wrong track. And even today they are still fighting against this. We have had the President now turn down these extended unemployment benefits not once but twice.

Mr. SASSER. He has, indeed. But I think that under the leadership of the majority leader we are presenting or will be presenting shortly to the President a package he simply cannot turn down. In other words, what excuse is there to turn down extending these unemployment benefits to these millions of people who paid for them, but have exhausted them, if we give him legislation, which I hope we will do very shortly, which allows him to pay for it by simply cuts in foreign aid?

Mr. RIEGLE. Yes.

Mr. SASSER. I think that is it.

Mr. RIEGLE. Cuts in the planned increase in foreign aid.

Mr. SARBANES. It is not a cut in foreign aid. I think the people in the country are coming to see through the administration's rhetoric.

I have a letter here from an unemployed person who says, "What constitutes an emergency? Whenever the unemployment rates have been this devastating in the past, the Federal Government has automatically stepped in." Which is what this chart shows, that the Government stepped in. What has made this emergency different?

Listen to this question: "Could it be that no one wants to admit that there

is an emergency?" I am frank to tell you I think that is one of the problems.

In December 1990, when we were moving into this recession, Secretary Brady said—and I am quoting him. This was in the New York Times. He says, "I do not think it is the end of the world even if we have a recession. We will pull out of it again. No big deal."

Then President Bush came up in January of this year to give the State of the Union Message, and President Bush said, and I am quoting him now:

I know that tonight in some regions of our country people are in genuine economic distress and I hear them. Earlier this month Cathy Blackwell of Massachusetts wrote me about what can happen when the economy slows down saying "My heart is aching and I think you should know your people out here are hurting badly." I understand. I am not unrealistic about the future. But there are reasons to be optimistic about the economy.

That is in January of this year.

Then in the economic report of the President in February, President Bush said, and I quote him:

The current recession is expected to be mild and brief by historical standards.

Michael Boskin, his chief economic adviser, said in the economic report:

Our outlook is that the economy, after a relatively brief and mild recession, will rebound by the middle of the year. The recession will be rather shallow and short.

Here is what they did. They predicted a shallow and short recession. The President makes a State of the Union Message that says that there are reasons to be optimistic about the economy. This did not work out. But they did not revise their view. They were not prepared to admit that we were facing an economic crisis.

In July, Boskin, in a news conference, said "The economy has begun to recover." In testimony to the Joint Economic Committee in late July he said "The economic recovery appears to be underway."

To compound this, as the distinguished Senator from Michigan knows, because he had a very sharp exchange with the Director of the Office of Management and Budget, Mr. Darman, on July 22. Mr. Darman said an unemployment bill was "unnecessary because the recession reached bottom in May and by the time the beneficiaries actually got the money it would not be needed." Can you imagine that?

Mr. SASSER. Mr. President, if the Senator will just yield on that particular point, 8.6 million Americans—that is twice the population of or three times perhaps the population of my State of Tennessee—woke up this morning and they had no job to go to. That is up 140,000 people since September. If you add together those who are unemployed, the 8.6 million, with those who lost good, full-time jobs and are now working part time, add to that the million and a half people who becomes discouraged that they no longer are looking for jobs—they fall off the statistics when they quit looking—you have almost 13 percent of the work force of this country either unemployed or underemployed. One out of every 10 Americans, as I speak to you this evening, I say to my colleagues, is on food stamps.

If this is not a recession, I do not know what it is. It is getting worse. It is not getting better. The economic indicators for September were worse than they were for July. In other words, it is getting worse; it is not getting better. And we are on the verge of a double-digit recession here.

(Mr. RIEGLE assumed the chair.)

Mr. SARBANES. The American people know it is getting worse. Look what is happening to consumer confidence. The consumer confidence index dropped 12 points last month. It started back up and now it is starting back down again. The American people know what is happening out there.

Mr. ADAMS. Mr. President, will the Senator from Maryland yield?

Mr. SARBANES. Certainly.

Mr. ADAMS. Mr. President, as the Budget Committee chairman, I first just want to echo what he is saying. We set aside this fund to pay these benefits in this period and now we have an even worse thing happening, which I know the Senator from Maryland is well aware of. They are attempting to drop interest rates through the Federal Reserve System and the President goes out and says to everybody "Buy, buy, buy, and bring us out of this recession." But how can they possibly do this when they have no money?

There is no program by this administration to justify jobs to people. There is no unemployment compensation flowing out to them so they will have some money to carry over until they get another job. So we have the potential here for a disaster, and I compliment the Senator from Maryland, the Senator from Tennessee, the Senator from Michigan, and particularly the majority leader for coming up with an economic plan to help our people here at home.

If we can help people all over the world, we can help our middle-class workers who are in between jobs, trying to find a job, or even worse, as the Senator from Tennessee said, have been out of work for so long they have lost hope. We have to give them this unemployment compensation and now.

I agree with the Senator from Maryland. It is beyond my comprehension, having seen other Presidents of both parties, back through the years, this President not use the unemployment compensation trust fund for what it was created to do. All he had to say was this was an emergency and the Budget Act was complied with, and we would have helped our people in the way we have done for over half a century. So I commend the Senators.

Mr. SARBANES. That would have been back in mid-August.

Mr. ADAMS. In mid-August that we said that.

Mr. SARBANES. I say to the Senator from Washington that he has touched on another important point. By definition you do not get unemployment benefits until you have held a job over a continuous period of time. So we are talking about working men and women, the people who have helped to build this country.

In addition, for those who have been fortunate enough to hold a job, to keep their job, their standard of living is dropping.

Now the very distinguished Senator from Tennessee, the chairman of the Budget Committee, had on the floor the other day a very important chart that shows that the annual real per capita GNP growth under George Bush has been negative. George Bush is the only President since World War II where annual real per capita GNP growth was a negative. There have been nine Presidents, including George Bush, since World War II. Under the other eight we had positive real per capita GNP growth. In other words, people's living standards rose in varying degrees. It was better under John Kennedy of the other eight Presidents, but under all of them there was some positive advance. Only under President Bush has it been negative.

Just last week we got figures from the Bureau of Labor Statistics that over the past year the wage and salary of working people—we are not now talking about unearned income, interest, and dividends that go primarily, not entirely but primarily to the people at the top of the scale who have really just benefited incredibly over the last decade—but for wage and salary people over the last year, their incomes went up 1.8 percent.

Inflation went up 3.9 percent. So the prices they had to pay went up 3.9 percent. Their incomes went up 1.8 percent. So at the end of the year, their living standard was lower. They were worse off in real terms than they had been at the beginning of the year.

Mr. ADAMS. I thank the Senator.

Mr. SASSER. If the Senator from Maryland will yield, I think he touched on a point there a moment ago; the fact that these people who have paid for these unemployment insurance benefits have exhausted them and now are in desperate straits.

I read a letter or a statement made by the Director of the Office of Management and Budget, Mr. Darman, in which he said that extending these unemployment insurance benefits would act as a "disincentive to employment," as if to infer that these people were unemployed because they wanted to be, and if their unemployment benefits were extended, that they would not have an incentive to go back to work.

Mr. SARBANES. Will the Senator yield on that point?

Mr. SASSER. I am pleased to yield.

Mr. SARBANES. Darman said that. It is just outrageous. I want to say this: If the American people were dependent upon Budget Director Darman's compassion and concern for their situation, it would be very bleak indeed.

Now, he said that in that very hearing where he said an unemployment bill was unnecessary. He then went on and said it would have the effect of giving them an incentive to be unemployed.

I just want to read a letter that I received from an unemployed person, a very eloquent letter. I am just going to quote:

What we as unemployed people want is to be able to rebuild our self-esteem, pay our bills, and contribute to this country. We are not looking for a handout, but right now we need more help.

It is sad to know the funds are there, but the President will not release them.

I am directing this directly to Director Darman on the basis of what the Senator said about his attitude—

People have this idea of being unemployed as fun. It isn't. It is extremely depressing.

Everyone thought I was lucky having the summer off. I did not enjoy 1 day of this summer, as I was worrying about getting a job. It is on your mind constantly, from when you wake up in the morning until you go to bed at night. And then, if you should wake up during the night, it is right there hounding on you.

You are on edge constantly. You fight with people for no reason at all. Does that sound like fun? I want a job and I want a paycheck.

Mr. SASSER. Well, I just say to my friend from Maryland, I think that says it all. And to say that extending these unemployment compensation benefits to those who have exhausted their benefits, as we have in every other recession prior to this time—under the administrations of Eisenhower, Gerald Ford, Jimmy Carter, even Ronald Reagan—to say extending these benefits would be a disincentive, it is a mystery to me how one could think that.

Think of how many automobiles have been repossessed, how many homes may have been lost, how many people evicted from their apartments, how many marriages on the rocks, how many children who have been hurt by the fact that these unemployment insurance benefits were not extended.

And I see polling data which indicates that now the biggest fear—what the American people are frightened of, the middle-class American—now, for the first time, their greatest fear is losing their job. They are frightened that they will lose their job, because they have seen so many of their friends and neighbors lose their jobs.

And I do not know where the Budget Director gets the idea that extending these unemployment benefits to those who have exhausted them would be a disincentive.

But I do know in my native State of Tennessee of a small factory advertised that they had 10 or 15 jobs, positions, available. I say to my friend from Maryland, 800 people showed up at this little factory before 7 o'clock in the morning. The sheriff's deputies had to be summoned to maintain some kind of order. These people were desperate for work. They would do anything just to get a job.

Now, to say that would be a disincentive to give these people some sustenance, to put bread on the table and to keep a roof over their heads and to keep some sort of warmth going as we approach winter, I do not understand that kind of reasoning, quite frankly.

I mean, these unemployed people paid for these benefits. Their employers paid for these benefits. It was deducted out of their paychecks for so-called rainy day funds. Now, whether this administration and whether the President wants to believe it or not, the rainy day is here. It has been here since July 1990.

My friend from Maryland will recall that it was not until December 1990, if memory serves me correctly, that Dr. Michael Boskin of the administration finally acknowledged that there was a recession that had begun in July 1990, some 7 months before. He finally acknowledged that there was a recession. But he said, "Don't worry; it's over. We are into recovery now." That was in December 1990.

And here we stand, in November 1991, Thanksgiving a couple of weeks away, Christmas 6 weeks away, and this recession is getting worse. And here we are, still trying to get the President and his administration to extend these emergency unemployment insurance benefits that had been extended in every recession.

You know, we started back—I ask my friend from Maryland, when did we pass the first bill the President vetoed?

Mr. SARBANES. He vetoed it in mid-August.

Mr. SASSER. In mid-August.

Mr. SARBANES. Well, he did not veto it. He refused to declare an emergency, and therefore the benefits could not flow. Because the way we sent him a bill, we in effect were trying to draw the President in, in a cooperative way, to declare this emergency, just like he had declared an emergency earlier in the year to help people overseas.

The President refused to do it. Therefore the unemployed people could have been receiving benefits from mid-August, if President George Bush had simply concurred in that legislation.

Mr. SASSER. Then we passed another bill to try to get unemployment insurance benefits extended in September, and the President vetoed that bill. And he said, well, he wanted to extend unemployment benefits, but he did not like the bill we sent him. So now we are going to send him a third; we are going to make a third try at it.

We are going to have a three-pronged approach. We are going to let him declare an emergency situation, as he declared economic aid to the Kurds, economic aid to Israel, economic aid to a whole host of countries as being emergencies. He can declare this an emergency.

If he chooses not to do that, then we are providing in this legislation that the unemployment insurance benefits will be paid for by taking the money out of foreign aid. Now, we are not saying that we are cutting foreign aid. What we are saying is, we are just going to arrest the growth of foreign aid.

Between 1992 and 1995, if memory serves me correctly, we will have outlays of something like about $85 billion for foreign aid. We are simply saying: Mr. President, can you see your way clear to take $3½ billion or less of this $85 billion in foreign aid and give some relief to the millions of our people who are suffering because they cannot find jobs? We give him those two options.

And if he does not want to use either one of those two options, the third option is a measure to raise some revenues to pay for it. We give him three options so he cannot say: You have not given me a way to fulfill our needs here.

I mean, he has three choices. All we want to do is to stop the posturing here, and let us get on with giving these unemployed people the unemployment insurance compensation that they are entitled to, that they have paid for, that their employers have paid for.

And we see, if our friend from Maryland shows us his chart—can we see that once more, the chart which indicates the surplus that is building up?

In 1992, we see a surplus of, what is that?

Mr. SARBANES. Almost $10 billion.

Mr. SASSER. Almost $10 billion.

Mr. SARBANES. This fund, I will say to the Senator, in a recession, is building up at the rate of about $1.2 billion a year. It is incredible. You pay the money into this trust fund for the purpose of paying the benefits in a recession. Not only are they not paying the benefits in the recession, but in fact they are adding to the fund.

The Secretary of Labor, Secretary Martin was asked about this, and she thought it was wonderful. She says, we have all this money in the trust fund.

What are they going to do, sit on it and hatch it? The purpose of having it, building up the trust fund, is to pay it out when you hit a difficult time.

Her comments are a little bit like the librarian when asked how is everything in the library, who says, "Wonderful. Every book is on the shelf." The purpose of the library is not to have every

book on the shelf, and the purpose of this trust fund is not to build up huge balances in the middle of a recession when you have millions of people who need extended benefits, people who are losing their homes, their cars, are unable to meet their payments, do not know how to put food on the table for their families.

Mr. SASSER. If I could just draw the attention of my friend from Maryland to this, this is the extended benefit trust fund, with emphasis on "trust." In other words, these funds are held in trust by the U.S. Government. These are the funds that employees, workers, have paid in. These are funds that their employers have paid in, to be held in trust by the U.S. Government to be used for extended unemployment benefits when we get into an extended recession. That is precisely what we are in here.

Mr. SARBANES. That is right. I say to the Senator the very reason we have a trust fund and the reason we build up a balance in it is so that when we go into a recession we do not get into this problem of how are we going to pay for the benefits, the very issue that the President has now precipitated. The system was constructed to deal with that question ahead of time by building up the surplus. The President will not use the money in the trust fund for the purpose for which it was intended. It is an abuse of this trust fund.

Mr. SASSER. No, I will say to my friend from Maryland, it is a breach of trust.

Mr. SARBANES. Well, yes, it is.

Mr. SASSER. This is a breach of trust between this administration and the workers who paid their hard-earned dollars into this trust fund and the employers who paid their money into this trust fund. This is a breach of trust.

Mr. SARBANES. I say to the Senator, I am hearing from employers who are saying to me, "We paid the money in for the purpose of paying the benefits. We want to see the benefits paid."

Many responsible employers want their workers who have been laid off through no fault of their own because of the downturn in the economy to receive these unemployment benefits. They have a concern for their workforce.

It is really sad. It is a disgrace.

One lady wrote to me and said:

I am writing to you regarding a serious crisis that exists nationally. The subject is a lack of adequate unemployment benefits for working men and women. What has been allowed to happen in this country has been a disgrace.

And she is absolutely right. She says:

As I stood in line every week I got to hear firsthand the concern in the voices of the people. The first blow was losing their job. The second was seeing the United States Government abandon them in their hour of need. These are the hard-working people that have, over the years, made this country great. These were workers who have held the same job, in many cases, for numbers of years.

In fact, you are having workers who have worked 10, 12, 14 years in the same job hit by this recession and being laid off. They get the basic 26 weeks. Then they have exhausted their benefits.

A year ago the unemployment rate was 5.7 percent. Today the unemployment rate is 6.8 percent. That is the official rate for those completely out of work. As the Senator from Tennessee has pointed out, there are another 6.5 million people working part time who want to work full time.

If you lost your job a year ago, with an unemployment rate of 5.7 percent, by now you would have used up your benefits. You would now be looking for a job in a job market where the unemployment rate is 6.8 percent. In other words, it is tougher out there now to find a job than it was at the time that you lost your job. Yet this administration will not extend the benefits in order to try to help people through this period. The purpose of providing these benefits is to help people through this period.

The PRESIDING OFFICER. Will the Senator yield to a question from the Chair on the chart that was held up a moment ago? From this distance it appears to me the surplus in the fund is about $10 billion. Is that accurate?

Mr. SARBANES. I would say to the Senator, that is what it is projected it would be by the end of next year. At the moment we expect it to be over $8 billion by the end of this year. It is building up by about $1.2 to $1.4 billion a year. Can you imagine? We are building up the surplus right in the middle of a recession. Let us leave aside the question of drawing down the surplus in a recession, which is, of course, what you should do. But here we are, not only not doing that, we are building the surplus up even higher, right in the midst of a recession and with no one drawing these unemployment benefits. No wonder people are so desperate out there.

Let me just quote from a letter I received:

Please do what you can to help all of us out. We do not want it; we need it and we need it now. Please see what you and your fellow Senators can do to help get this country back on its feet or else this country will be gone. I know it sounds stupid but I think it could happen if we don't help ourselves and each other. We are falling off the face of the Earth and no one cares.

Let me just repeat that. "We are falling off the face of the Earth and no one cares." I say to the President, I say to Director Darman, I say to Chairman Boskin, I say to Secretary Brady: It is time for you to care. It is time for these people not to fall off the face of the Earth. These are hard-working Americans who helped to build this country. These are the people who contributed financially and through their physical effort to build this Nation, and it is time to respond to their situation and not allow them to fall off the face of the Earth.

We care, and we are going to continue to press this issue with the President of the United States. He has demonstrated twice his inability to perceive and understand this situation. The majority leader is now going to go back to him a third time with a proposal that will give him three options to pay these benefits. He can choose any one of the three options. It is time for the President to recognize the hurt that exists across this country and to try to help these people all across America.

Mr. SASSER. Mr. President, the Senator from Maryland has done yeoman service in bringing this whole problem of unemployment compensation benefits having expired and not having been extended in this recession to the attention of this body and, indeed, to the attention of the country.

The Senator from Maryland, in his capacity as chairman of the Joint Economic Committee, has led the fight to see that these 8.5 million Americans, 140,000 more this month than last month, who have exhausted their unemployment benefits or are on the verge of exhausting them, are given the same treatment that unemployed workers have gotten in every other recession. He has been ably assisted in that effort by the distinguished Senator from Michigan.

Michigan has been hard hit and the Senator from Michigan has been on this floor day after day trying to fashion some type of remedy for these millions who are suffering.

Mr. SARBANES. If the Senator will yield. Mr. President, I want to thank the Senator from Tennessee for his very kind comments, and I also want to thank him for the extraordinary leadership which he, along with the Senator from Michigan, has provided in this fight, and the majority leader and Senator BENTSEN, the chairman of the Finance Committee.

Mr. SASSER. Indeed.

Mr. SARBANES. In fact, Mr. President, when we tried to override the President's veto of the last unemployment benefits bill, we also had the support in that effort of eight of our Republican colleagues. We had all of the Democratic Members, 57 Democrats, and we had the support of 8 of our Republican colleagues who departed from the President and from Republican discipline because they perceived the crisis which exists.

The unfortunate fact though is, even with 65 votes, we could not override the President's veto. This underscores the power of the veto weapon in the hands of the President. It is very important that be understood because the President vetoed that bill. We made an effort in the Senate to override that veto. We had a vote on the veto over-

ride; 65 Senators to override the veto, 35 not to override the veto. Sixty-five to thirty-five was the margin and unfortunately, under our Constitution which requires two-thirds, it fell short by two votes in overriding the veto.

But that is the weapon that the President has brandished, not only on this issue but on other issues designed to encourage economic growth and to bring about paying attention to the problems of our working middle class in this country. The President has that veto stamp which he has used and then he holds onto sufficient numbers in order to sustain his veto. The sufficient numbers are a clear minority of either this body or the other body, and yet it is enough for the President to sustain his veto. That is what he did in this instance.

But the Senator from Tennessee, as the chairman of the Budget Committee, has been extraordinary in his leadership on this issue. He understands thoroughly the budget situation and understands the rationale for our effort to have this treated as an emergency. Particularly I appreciate his emphasis on the trust fund aspect of this situation, because faith is not being kept with the American people. That is one of the issues that is also at stake in this dispute.

Mr. SASSER. I say to my friend from Maryland that I am hopeful and optimistic that this body will act speedily on this new bill to extend unemployment insurance benefits and get it to the President's desk. As my friend from Maryland knows, if we passed it this evening and took it over to the White House, the President would be unable to sign it. He is in Rome, Italy, on another trip abroad. But we are hopeful that he will return from abroad shortly. I am not sure how long this particular trip will last, but we are hopeful that he will return from Rome, Italy, shortly and we can have a bill on his desk when he arrives back home, and I am hopeful he will sign this one.

Of course, like my friend from Maryland, frankly, I thought he would sign the first two bills. Certainly, if he was going to ignore the first bill that was sent to him, I thought that when the second bill went to him and he had no choice but either to sign it or veto it, I was confident the President would sign that bill to extend this unemployment insurance, these benefits to the millions who need it. I was stunned, frankly, when he did veto it since it had passed this Congress, both Houses, with large bipartisan majorities.

But as soon as he returns from abroad, I am hopeful this bill will be on his desk waiting for his consideration, and I hope before he even unpacks his bags from this latest trip that he will sign this bill extending unemployment compensation benefits.

Mr. SARBANES. I say to my colleague that some of our colleagues on the House side suggested that the President should visit the Romes in this country: Rome, GA; Rome, MS; Rome, OH, and so forth and so on, instead of Rome, Italy. I do not really go that far. I think the President has these responsibilities internationally. In a sense, they have to be met.

But I cannot understand why that seems to be the only dimension to this Presidency. Why is it that the President cannot have a domestic dimension? Why is it the President who perceived an emergency overseas in order to send assistance cannot perceive an emergency here at home in order to help the unemployed people in this country?

I am not saying that the President does not have to exercise his international responsibilities, but what about exercising his national responsibilities, his domestic responsibilities? He was elected President of the United States, and the United States is a world leader and, therefore, he has responsibilities on the international scene. But what about his responsibilities as President of the United States for the problems at home on the domestic front for our unemployed people, for health care for Americans, for the education of our children, for the range of problems that Americans confront every day in their own lives?

The President needs to have a domestic dimension to him. He needs to pay attention here. The fact of the matter is that the United States cannot be an international leader, cannot be strong abroad, if the United States is not strong at home. Our international leadership depends, in the last analysis, upon our domestic strength. If we fail to build a strong society here, strong economically, strong socially, a society marked by equity and justice, if we fail to build that here at home, he can make all the trips he wants around the world, but his position of leadership will be eroded internationally and at home.

So these problems cry out. People are calling out with a plaintive cry for help. It is time to respond to that and we call on the administration to address it. It is interesting, they have not sent their proposal to us as to what ought to be done about the unemployed. They keep finding fault in the proposals that we send to them, but they have not sent a proposal to us. It is very clear that if the Congress was not making the effort, if we were not making the effort to send something down there, this President would not do anything about it. He and his advisers would just let this situation go. They would not do a thing about it.

He has rejected two of the proposals we sent to him. He has not sent one to us. We are going to send a third one with these options in it. I call on the President to approve it and let these people get their benefits.

Mr. SASSER. Mr. President, I ask unanimous consent that the text of S. 1945 be printed in the RECORD.

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

S. 1945

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 "Emergency Unemployment Compensation Act of 1991".

TITLE I—EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

SEC. 101. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (hereafter in this Act referred to as the "Secretary"). Any State which is a party to an agreement under this Act may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation—

(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law,

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and are not paid or entitled to be paid any additional compensation under any State or Federal law), and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada, and

(2) for any week of unemployment which begins in the individual's period of eligibility (as defined in section 106(2)).

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period, or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT.—For purposes of any agreement under this Act—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependent's allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment,

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for emergency unemployment compensation and the payment thereof, except where inconsistent with the provisions of this Act, or with the regulations or operating instructions of the Secretary promulgated to carry out this Act, and

(3) the maximum amount of emergency unemployment compensation payable to any

individual for whom an account is established under section 102 shall not exceed the amount established in such account for such individual.

(e) ELECTION.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State in a 7-percent period or an 8-percent period, as defined in section 102(c), is authorized to and may elect to trigger off an extended compensation period in order to provide payment of emergency unemployment compensation to individuals who have exhausted their rights to regular compensation under State law.

SEC. 102. EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 100 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined under the State law) on the basis of which the individual most recently received regular compensation, or

(B) the applicable limit times the individual's average weekly benefit amount for the benefit year.

(2) APPLICABLE LIMIT.—For purposes of this section—

(A) IN GENERAL.—Except as provided in this paragraph, the applicable limit shall be determined under the following table:

In the case of weeks beginning during a:	The applicable limit is:
8-percent period	20
7-percent period	13
6-percent period or other period	7.

(B) APPLICABLE LIMIT NOT REDUCED.—An individual's applicable limit for any week shall in no event be less than the highest applicable limit in effect for any prior week for which emergency unemployment compensation was payable to the individual from the account involved.

(C) INCREASE IN APPLICABLE LIMIT.—If the applicable limit in effect for any week is higher than the applicable limit for any prior week, the applicable limit shall be the higher applicable limit, reduced (but not below zero) by the number of prior weeks for which emergency unemployment compensation was paid to the individual from the account involved.

(3) REDUCTION FOR EXTENDED BENEFITS.—The amount in an account under paragraph (1) shall be reduced (but not below zero) by the aggregate amount of extended compensation (if any) received by such individual relating to the same benefit year under the Federal-State Extended Unemployment Compensation Act of 1970.

(4) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) DETERMINATION OF PERIODS.—

(1) IN GENERAL.—For purposes of this section, the terms "8-percent period", "7-percent period", "6-percent period", and "other period" mean, with respect to any State, the period which—

(A) begins with the second Sunday of the month after the first month during which the applicable trigger for such period is on, and

(B) ends with the Saturday immediately preceding the second Sunday of the month after the first month during which the applicable trigger for such period is off.

(2) APPLICABLE TRIGGER.—In the case of an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, the applicable trigger is on for any week with respect to any such period if the average rate of total unemployment in the State for the period consisting of the most recent 6-calendar month period for which data for all States are published—

(A) equals or exceeds 6 percent, and

(B) falls within the applicable range (as defined in paragraph (3)).

Subparagraph (A) shall only apply in the case of an 8-percent period, 7-percent period, or 6-percent period.

(3) APPLICABLE RANGE.—For purposes of this subsection, the applicable range is as follows:

In the case of a:	The applicable range is:
8-percent period	A rate equal to or exceeding 8 percent.
7-percent period	A rate equal to or exceeding 7 percent but less than 8 percent.
6-percent period	A rate equal to or exceeding 6 percent but less than 7 percent.
Other period	A rate less than 6 percent.

(4) SPECIAL RULES FOR DETERMINING PERIODS.—

(A) MINIMUM PERIOD.—Except as provided in subparagraph (B), if for any week beginning after November 16, 1991, an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, is triggered on with respect to such State, such period shall last for not less than 13 weeks.

(B) EXCEPTION IF APPLICABLE RANGE INCREASES.—If, but for subparagraph (A), another period with a higher applicable range would be in effect for such State, such other period shall take effect without regard to subparagraph (A).

(5) NOTIFICATION BY SECRETARY.—When a determination has been made that an 8-percent period, 7-percent period, 6-percent period, or other period is beginning or ending with respect to a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no emergency unemployment compensation shall be payable to any individual under this Act for any week—

(A) beginning before the later of—

(i) November 17, 1991, or

(ii) the first week following the week in which an agreement under this Act is entered into, or

(B) beginning after August 1, 1992.

(2) TRANSITION.—In the case of an individual who is receiving emergency unemployment compensation for a week which includes August 1, 1992, such compensation shall continue to be payable to such individual in accordance with subsection (b) for any week beginning in a period of consecutive weeks for each of which the individual meets the eligibility requirements of this Act.

(3) REACHBACK PROVISIONS.—

(A) IN GENERAL.—If—

(i) any individual exhausted such individual's rights to regular compensation (or extended compensation) under the State law after February 28, 1991, and before the first week following November 16, 1991 (or, if later, the first week following the week in which the agreement under this Act is entered into), and

(ii) a period described in subsection (c)(2)(A) is in effect with respect to the State for the first week following November 16, 1991,

such individual shall be entitled to emergency unemployment compensation under this Act in the same manner as if such individual's benefit year ended no earlier than the last day of such following week.

(B) SPECIAL RULE.—A State not meeting the requirements of subparagraph (A)(ii) shall be treated as meeting such requirements if such State would have met them for the first week following November 2, 1991, October 5, 1991, or August 31, 1991, if this Act had been in effect for such week.

(C) LIMITATION OF BENEFITS.—In the case of an individual who has exhausted such individual's rights to both regular and extended compensation, any emergency unemployment compensation payable under subparagraph (A) or (B) shall be reduced in accordance with subsection (b)(3).

SEC. 103. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this Act in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

SEC. 104. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Of-

fice, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(c) ASSISTANCE TO STATES.—There are hereby authorized to be appropriated, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act) in meeting the costs of administration of agreements under this Act.

(d) AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, to the extended unemployment compensation account (as established by section 905 of the Social Security Act) such sums as may be necessary to make the payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code, and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

SEC. 105. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this Act to which he was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of emergency unemployment compensation under this Act to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 106. DEFINITIONS.

For purposes of this Act:

(1) IN GENERAL.—The terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit year", "base period", "State", "State agency", "State law", and "week" have the meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

(2) ELIGIBILITY PERIOD.—An individual's eligibility period shall consist of the weeks in the individual's benefit year which begin in an 8-percent period, 7-percent period, 6-percent period, or other period under this Act and, if the individual's benefit year ends on or after November 16, 1991, any weeks thereafter which begin in any such period. In no event shall an individual's period of eligibility include any weeks after the 39th week after the end of the benefit year for which the individual exhausted his rights to regular compensation or extended compensation.

(3) RATE OF TOTAL UNEMPLOYMENT.—The term "rate of total unemployment" means the average unadjusted total rate of unemployment (as determined by the Secretary) for a State for the period consisting of the most recent 6-calendar month period for which data for all States are published.

TITLE II—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE

SEC. 201. DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE.

(a) GENERAL RULE.—The Secretary of Labor (hereafter in this title referred to as the "Secretary") shall carry out a demonstration program under this title for purposes of determining the feasibility of implementing job search assistance programs. To carry out such demonstration program, the Secretary shall enter into agreements with 3 States which—

(1) apply to participate in such program, and

(2) demonstrate to the Secretary that they are capable of implementing the provisions of an agreement under this section.

(b) SELECTION OF STATES.—

(1) IN GENERAL.—In determining whether to enter into an agreement with a State under this section, the Secretary shall take into consideration at least—

(A) the size, geography, and occupational and industrial composition of the State,

(B) the adequacy of State resources to carry out a job search assistance program,

(C) the range and extent of specialized services to be provided by the State to individuals covered by the agreement, and

(D) the design of the evaluation to be applied by the State to the program.

(2) REPLICATION OF PRIOR DEMONSTRATION PROJECT.—At least 1 of the States selected by the Secretary under subsection (a) shall be a State which has operated a successful demonstration project with respect to job search assistance under a contract with the Department of Labor. The demonstration program under this title of any such State shall, at a minimum, replicate the project it operated under such contract in the same geographic areas.

(c) PROVISIONS OF AGREEMENT.—Any agreement entered into with a State under this section shall—

(1) provide that the State will implement a job search assistance program during the 1-year period specified in such agreement,

(2) provide that such implementation will begin not later than the date 1 year after the date of the enactment of this Act,

(3) contain such provisions as may be necessary to ensure an accurate evaluation of the effectiveness of a job search assistance program, including—

(A) random selection of eligible individuals for participation in the program and for inclusion in a control group, and

(B) collection of data on participants and members of a control group as of the close of the 1-year period and 2-year period after the operations of the program cease,

(4) provide that not more than 5 percent of the claimants for unemployment compensation under the State law shall be selected as participants in the job search assistance program, and

(5) contain such other provisions as the Secretary may require.

SEC. 202. JOB SEARCH ASSISTANCE PROGRAM.

(a) GENERAL RULE.—For purposes of this title, a job search assistance program shall provide that—

(1) eligible individuals who are selected to participate in the program shall be required to participate in a qualified intensive job search program after receiving compensation under such State law during any benefit year for at least 6 but not more than 10 weeks,

(2) every individual required to participate in a job search program under paragraph (1) shall be entitled to receive an intensive job search program voucher, and

(3) any individual who is required under paragraph (1) to participate in a qualified intensive job search program and who does not satisfactorily participate in such program shall be disqualified from receiving compensation under such State law for the period (of not more than 10 weeks) specified in the agreement under section 201.

(b) ELIGIBLE INDIVIDUAL.—For purposes of this title—

(1) IN GENERAL.—The term "eligible individual" means any individual receiving compensation under the State law during any benefit year if, during the 3-year period ending on the last day of the base period for such benefit year, such individual had at least 126 weeks of employment at wages of $30 or more a week with such individual's last employer in such base period (or, if data with respect to weeks of employment with such last employer are not available, an equivalent amount of employment computed under regulations prescribed by the Secretary).

(2) EXCEPTION.—Such term shall not include any individual if—

(A) such individual has a definite date for recall to his former employment,

(B) such individual seeks employment through a union hall or similar arrangement, or

(C) the State agency—

(i) waives the requirements of subsection (a)(1) for good cause shown by such individual, or

(ii) determines that such participation would not be appropriate for such individual.

(c) QUALIFIED INTENSIVE JOB SEARCH PROGRAM.—For purposes of this section, the

term "qualified intensive job search program" means any intensive job search assistance program which—

(1) is approved by the State agency,

(2) is provided by an organization qualified to provide job search assistance programs under any other Federal law, and

(3) includes—

(A) all basic employment services, such as orientation, testing, a job-search workshop, and an individual assessment and counseling interview, and

(B) additional services, such as ongoing contact with the program staff, followup assistance, resource centers, and job search materials and equipment.

(d) INTENSIVE JOB SEARCH VOUCHER.—For purposes of this section, the term "intensive job search voucher" means any voucher which entitles the organization (including the State employment service) providing the qualified intensive job search assistance program to a payment from the State agency equal to the lesser of—

(1) the reasonable costs of providing such program, or

(2) the average weekly benefit amount in the State.

SEC. 203. ADMINISTRATIVE PROVISIONS.

(a) FINANCING PROVISIONS.—

(1) PAYMENTS TO STATES.—There shall be paid to each State which enters into an agreement under section 201 an amount equal to the lesser of the reasonable costs of operating the job search assistance program pursuant to such agreement or the State's average weekly benefit amount for each individual selected to participate in the job search assistance program operated by such State pursuant to such agreement. Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) shall be used for purposes of making such payments.

(2) PAYMENTS ON CALENDAR MONTH BASIS.—There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such method as may be agreed upon by the Secretary and the State agency.

(3) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(4) SPECIAL RULE.—Notwithstanding any other provision of law, amounts in the account of a State in the Unemployment Trust Fund may be used for purposes of making payments pursuant to intensive job search vouchers provided pursuant to an agreement under this title.

(b) REPORTS TO CONGRESS.—

(1) INTERIM REPORTS.—The Secretary shall submit 2 interim reports to the Congress on the effectiveness of the demonstration program carried out under this title. The 1st such report shall be submitted before the date 2 years after operations under the demonstration program commenced and the 2d such report shall be submitted before the date 4 years after such commencement.

(2) FINAL REPORT.—Not later than the date 5 years after the commencement referred to in paragraph (1), the Secretary shall submit a final report to the Congress on the demonstration program carried out under this title. Such report shall include estimates of program impact, such as—

(A) changes in duration of unemployment, earnings, and hours worked of participants,

(B) changes in unemployment compensation outlays,

(C) changes in unemployment taxes,

(D) net effect on the Unemployment Trust Fund,

(E) net effect on Federal unified budget deficit, and

(F) net social benefits or costs of the program.

(c) DEFINITIONS.—For purposes of this title, the terms "compensation", "benefit year", "State", "State agency", "State law", "base period", and "week" have the respective meanings given such terms by section 106.

TITLE III—OTHER PROVISIONS

SEC. 301. PAYMENTS OF UNEMPLOYMENT COMPENSATION TO FORMER MEMBERS OF THE ARMED FORCES.

(a) REPEAL OF CERTAIN LIMITATIONS.—Subsection (c) of section 8521 of title 5, United States Code, is hereby repealed.

(b) REDUCTION IN LENGTH OF REQUIRED ACTIVE DUTY BY RESERVES.—Paragraph (1) of section 8521(a) of such title 5 is amended by striking "180 days" and inserting "90 days".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning on or after the date of the enactment of this Act.

SEC. 302. OPTIONAL BENEFITS FOR CERTAIN SCHOOL EMPLOYEES.

(a) IN GENERAL.—

(1) Subclause (I) of section 3304(a)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking "shall be denied" and inserting "may be denied".

(2) Subparagraph (A) of section 3304(a)(6) of such Code is amended by striking "and" at the end of clauses (iii) and (iv) and by inserting after clause (v) the following new clause:

"(vi) with respect to services described in clause (ii), clauses (iii) and (iv) shall be applied by substituting 'may be denied' for 'shall be denied', and".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the date of the enactment of this Act.

SEC. 303. EXTENDED RAILROAD UNEMPLOYMENT INSURANCE BENEFITS DURING PERIODS OF HIGH NATIONAL UNEMPLOYMENT.

(a) IN GENERAL.—For purposes of section 2(h) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(h)(2)), a "period of high unemployment" includes any month during the period November, 1991 through July, 1992.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no employee shall have an extended benefit period under the second proviso of section 2(c) of the Railroad Unemployment Insurance Act beginning before November 17, 1991, or after August 1, 1992.

(2) TRANSITION.—If an employee has established an extended benefit period under the second proviso of section 2(c) of the Railroad Unemployment Insurance Act and the last day of such extended benefit period, as established, is after August 1, 1992, such employee shall continue to be entitled to extended unemployment benefits for days of unemployment in registration periods included in such extended benefit period, provided that such employee meets the eligibility requirements of this section and the Railroad Unemployment Insurance Act.

(3) Reachback Provisions.—If an employee has exhausted that employee's rights to normal unemployment benefits under section 2(c) of the Railroad Unemployment Insurance Act after February 28, 1991, but before November 17, 1991, such employee shall, for the purposes of the application of this section, be deemed to have exhausted such rights after November 17, 1991.

(c) LIMITATION ON PAYMENT.—Extended benefits under this section shall be payable for a maximum of 65 days of unemployment, including any extended benefits payable by reason of the application of the reachback provisions.

SEC. 304. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Section 908 of the Social Security Act is amended to read as follows:

"ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION

"SEC. 908. (a) ESTABLISHMENT.—Not later than February 1, 1992, and every 4th year thereafter, the Secretary of Labor shall establish an advisory council to be known as the Advisory Council on Unemployment Compensation (referred to in this section as the 'Council').

"(b) FUNCTION.—It shall be the function of each Council to evaluate the unemployment compensation program, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of the program and to make recommendations for improvement.

"(c) MEMBERS.—

"(1) IN GENERAL.—Each Council shall consist of 11 members as follows:

"(A) 5 members appointed by the President, to include representatives of business, labor, State government, and the public.

"(B) 3 members appointed by the President pro tempore of the Senate, in consultation with the Chairman and ranking member of the Committee on Finance.

"(C) 3 members appointed by the Speaker of the House, in consultation with the Chairman and ranking member of the Committee on Ways and Means.

"(2) QUALIFICATIONS.—In appointing members under subparagraphs (B) and (C), the President pro tempore of the Senate and the Speaker of the House shall each appoint—

"(A) 1 representative of the interests of business,

"(B) 1 representative of the interests of labor, and

"(C) 1 representative of the interests of State governments.

"(3) VACANCIES.—A vacancy in any Council shall be filled in the manner in which the original appointment was made.

"(4) CHAIRMAN.—The President shall appoint the Chairman.

"(d) STAFF AND OTHER ASSISTANCE.—

"(1) IN GENERAL.—Each council may engage any technical assistance (including actuarial services) required by the Council to carry out its functions under this section.

"(2) ASSISTANCE FROM SECRETARY OF LABOR.—The Secretary of Labor shall provide each Council with any staff, office fa-

cilities, and other assistance, and any data prepared by the Department of Labor, required by the Council to carry out its functions under this section.

"(e) COMPENSATION.—Each member of any Council—

"(1) shall be entitled to receive compensation at the rate of pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Council, and

"(2) while engaged in the performance of such duties away from such member's home or regular place of business, shall be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(f) REPORT.—

"(1) IN GENERAL.—Not later than February 1 of the second year following the year in which any Council is required to be established under subsection (a), the Council shall submit to the President and the Congress a report setting forth the findings and recommendations of the Council as a result of its evaluation of the unemployment compensation program under this section.

"(2) REPORT OF FIRST COUNCIL.—The Council shall include in its February 1, 1994, report findings and recommendations with respect to determining eligibility for extended unemployment benefits on the basis of unemployment statistics for regions, States, or subdivisions of States.".

(b) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 305. REPORT ON METHOD OF ALLOCATING ADMINISTRATIVE FUNDS AMONG STATES.

(a) IN GENERAL.—The Secretary of Labor shall submit to the Congress, within the 12-month period beginning on the date of the enactment of this Act, a comprehensive report setting forth a proposal for revising the method of allocating grants among the States under section 302 of the Social Security Act.

(b) SPECIFIC REQUIREMENTS.—The report required by subsection (a) shall include an analysis of—

(1) the use of unemployment insurance workload levels as the primary factor in allocating grants among the States under section 302 of the Social Security Act,

(2) ways to ensure that each State receive not less than a minimum grant amount for each fiscal year,

(3) the use of nationally available objective data to determine the unemployment compensation administrative costs of each State, with consideration of legitimate cost differences among the States,

(4) ways to simplify the method of allocating such grants among the States,

(5) ways to eliminate the disincentives to productivity and efficiency which exist in the current method of allocating such grants among the States,

(6) ways to promote innovation and cost-effective practices in the method of allocating such grants among the States, and

(7) the effect of the proposal set forth in such report on the grant amounts allocated to each State.

(c) CONGRESSIONAL REVIEW PERIOD.—The Secretary of Labor may not revise the method in effect on the date of the enactment of this Act for allocating grants among the States under section 302 of the Social Security Act, until after the expiration of the 12-month period beginning on the date on which the report required by subsection (a) is submitted to the Congress.

SEC. 306. ASSISTANCE TO CERTAIN DISLOCATED WORKERS.

For the purposes of determining the programs and activities to be funded under part B of title III of the Job Training Partnership Act in program years 1991 and 1992, the Secretary of Labor shall give special consideration to providing services to dislocated workers in the timber industry in the States of Washington and Oregon.

TITLE IV—BUDGETARY PROVISIONS

Subtitle A—Emergency Treatment

SEC. 401. EFFECTIVENESS.

Notwithstanding any other provision of law or any other provision of this Act, section 402 of this Act shall take effect only if, on or before the date of the enactment of this Act—

(1) the President has not submitted to the Congress either of the written declarations described in sections 411 and 421, or

(2) the President has submitted to the Congress both of such declarations.

SEC. 402. EMERGENCY DESIGNATION.

All direct spending amounts provided by the provisions of (and amendments made by) this Act (for all fiscal years) and all appropriations authorized by the provisions of (and amendments made by) this Act (for all fiscal years, whenever appropriated) shall be treated as provisions designated as emergency requirements (for all fiscal years, whenever appropriated or otherwise enacted) by the President and the Congress under section 251(b)(2)(D)(i) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle B—Reductions in Foreign Aid and Other Spending

SEC. 411. EFFECTIVENESS.

Notwithstanding any other provision of law or any other provision of this Act, all of the provisions of this subtitle shall take effect only if—

(1) not later than the date of the enactment of this Act, the President submits to the Congress a written declaration of the need for reductions in foreign aid and other spending, under this subtitle; and

(2) the President has not submitted on or before such date the written declaration described in section 421.

PART I—FOREIGN AID REDUCTIONS

SEC. 412. REDUCTIONS IN FOREIGN AID.

(a) IN GENERAL.—Notwithstanding any other provision of law, the discretionary spending limits under section 601(a)(2) of the Congressional Budget Act of 1974 (as adjusted under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985) are decreased as follows:

(1) the discretionary spending limit with respect to fiscal year 1992 for the international category (under section 601(a)(2)(B)(ii) of the Congressional Budget Act of 1974) is decreased by $700,000,000 in new budget authority and $200,000,000 in outlays;

(2) the discretionary spending limit with respect to fiscal year 1993 for the international category (under section 601(a)(2)(C)(ii) of such Act) is decreased by $2,900,000,000 in new budget authority and $1,600,000,000 in outlays;

(3) the discretionary spending limit with respect to fiscal year 1994 for the discretionary category (under section 601(a)(2)(D) of such Act) is decreased by $712,000,000 in new budget authority and $948,000,000 in outlays; and

(4) the discretionary spending limit with respect to fiscal year 1995 for the discretionary category (under section 601(a)(2)(E) of such Act) is decreased by $604,000,000 in outlays.

(b) PROHIBITED REDUCTIONS.—None of the reductions required under this section shall be achieved through reduction of—

(1) domestic discretionary spending; or

(2) assistance to the Camp David Accord countries, in recognition of the fragile, ongoing efforts to achieve peace in the Middle East.

PART II—COLLECTION OF NONTAX DEBTS

SEC. 413. PERMANENT EXTENSION OF PROVISIONS RELATING TO COLLECTION OF NONTAX DEBTS OWED TO FEDERAL AGENCIES.

(a) IN GENERAL.—Subsection (c) of section 2653 of the Deficit Reduction Act of 1984 is amended by striking "on or before January 10, 1994".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1991.

PART III—GUARANTEED STUDENT LOANS

SEC. 414. CREDIT CHECKS; COSIGNERS.

(a) IN GENERAL.—Section 427(a)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), hereafter in this part referred to as "the Act", is amended to read as follows:

"(A) is made without security and without endorsement, except that prior to making a loan insurable by the Secretary under this part a lender shall—

"(i) obtain a credit report, from at least one national credit bureau organization, with respect to a loan applicant who will be at least 21 years of age as of July 1 of the award year for which assistance is being sought, for which the lender may charge the applicant an amount not to exceed the lesser of $25 or the actual cost of obtaining the credit report; and

"(ii) require an applicant of the age specified in clause (i) who, in the judgment of the lender in accordance with the regulations of the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, provided that, for purposes of this clause, an insufficient or nonexistent credit history may not be considered to be an adverse credit history;".

SEC. 415. BORROWER INFORMATION.

(a) IN GENERAL.—Section 427 of the Act is amended by adding at the end thereof the following new subsection:

"(d) BORROWER INFORMATION.—The lender shall obtain the borrower's driver's license number, if any, at the time of application for the loan.".

(b) CONFORMING AMENDMENT.—Section 428 of the Act is amended—

(1) in subsection (a)(2)(A)—

(A) in clause (i)(I), by striking out "and" at the end thereof;

(B) in clause (ii), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(C) by adding at the end thereof the following new clause:

"(iii) have provided to the lender at the time of application for a loan made, insured, or guaranteed under this part, the student's driver's number, if any.".

SEC. 416. ADDITIONAL BORROWER INFORMATION.

Section 485(b) of the Act is amended—

(1) by striking the subsection heading and inserting "EXIT COUNSELING FOR BORROWERS; BORROWER INFORMATION.—"; and

(2) by adding at the end thereof the following: "Each eligible institution shall require that the borrower of a loan made under part B, part D, or part E submit to the institution, during the exit interview required by this subsection, the borrower's expected permanent address after leaving the institution, regardless of the reason for leaving; the name and address of the borrower's expected employer after leaving the institution; and the address of the borrower's next of kin. In the case of a loan made under part B, the institution shall then submit this information to the holder of the loan.".

SEC. 417. CONFESSION OF JUDGMENT.

Section 428(b)(1) of the Act is further amended—

(1) in subparagraph (V), by striking "and" at the end thereof;

(2) in subparagraph (W), by striking the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(X) provides that the lender shall obtain, as part of the note or written agreement evidencing the loan, the borrower's authorization for entry of judgment against the borrower in the event of default.".

SEC. 418. WAGE GARNISHMENT.

(a) IN GENERAL.—Part G of title IV of the Act is amended by inserting immediately following section 488 the following new section:

"SEC. 488A. WAGE GARNISHMENT REQUIREMENT.

"(a) GARNISHMENT REQUIREMENTS.—Notwithstanding any provision of State law, a guaranty agency, or the Secretary in the case of loans made, insured or guaranteed under this title that are held by the Secretary, may garnish the disposable pay of an individual to collect the amount owed by the individual, if he or she is not currently making required repayment under a repayment agreement with the Secretary, or, in the case of a loan guaranteed under part B on which the guaranty agency received reimbursement from the Secretary under section 428(c), with the guaranty agency holding the loan, as appropriate, provided that—

"(1) the amount deducted for any pay period may not exceed 10 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual involved;

"(2) the individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the guaranty agency or the Secretary, as appropriate, informing such individual of the nature and amount of the loan obligation to be collected, the intention of the guaranty agency or the Secretary, as appropriate, to initiate proceedings to collect the debt through deductions from pay, and an explanation of the rights of the individual under this section;

"(3) the individual shall be provided an opportunity to inspect and copy records relating to the debt;

"(4) the individual shall be provided an opportunity to enter into a written agreement with the guaranty agency or the Secretary, under terms agreeable to the Secretary, or the head of the guaranty agency or his designee, as appropriate, to establish a schedule for the repayment of the debt;

"(5) the individual shall be provided an opportunity for a hearing in accordance with subsection (b) on the determination of the Secretary or the guaranty agency, as appropriate, concerning the existence or the amount of the debt, and, in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), concerning the terms of the repayment schedule;

"(6) the employer shall pay to the Secretary or the guaranty agency as directed in the withholding order issued in this action, and shall be liable for, and the Secretary or the guaranty agency, as appropriate, may sue the employer in a State or Federal court of competent jurisdiction to recover, any amount that such employer fails to withhold from wages due an employee following receipt of such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages, but such employer shall not be required to vary the normal pay and disbursement cycles in order to comply with this paragraph; and

"(7) an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action. The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

"(b) HEARING REQUIREMENTS.—A hearing described in subsection (a)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (a)(2), and in accordance with such procedures as the Secretary or the head of the guaranty agency, as appropriate, may prescribe, files a petition requesting such a hearing. If the individual does not file a petition requesting a hearing prior to such date, the Secretary or the guaranty agency, as appropriate, shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order. A hearing under subsection (a)(5) may not be conducted by an individual under the supervision or control of the head of the guaranty agency, except that nothing in this sentence shall be construed to prohibit the appointment of an administrative law judge. The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

"(c) NOTICE REQUIREMENTS.—The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

"(d) DEFINITION.—For the purpose of this section, the term 'disposable pay' means that part of the compensation of any individual remaining after the deduction of any amounts required by law to be withheld.".

(b) CONFORMING AMENDMENTS.—

(1) Section 428E of the Act is repealed.

(2) Paragraph (6) of section 428(c) of the Act is amended—

(A) in clause (ii) of subparagraph (A), by striking "(subject to subparagraph (D) of this paragraph)"; and

(B) by striking subparagraph (D).

SEC. 419. DATA MATCHING.

Part G of title IV of the Act is further amended by adding at the end thereof the following new section:

"SEC. 492. DATA MATCHING.

"(a) INFORMATION.—

"(1) IN GENERAL.—The Secretary is authorized to obtain information from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States concerning the most recent address of an individual obligated on a loan held by the Secretary or a loan made in accordance with part B of this title held by a guaranty agency, or an individual owing a refund of an overpayment of a grant awarded under this title, and the name and address of such individual's employer, if the Secretary determines that such information is needed to enforce the loan or collect the overpayment.

"(2) PROVISION OF INFORMATION TO A GUARANTY AGENCY.—The Secretary is authorized to provide the information described in paragraph (1) to a guaranty agency holding a loan made under part B of this title on which such individual is obligated.

"(b) REQUESTS FOR INFORMATION.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, whenever the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized under this section, such individual or his designee shall promptly cause a search to be made of the records of the agency to determine whether the information requested is contained in those records.

"(2) TRANSMITTAL.—(A) If such information is found, the individual shall, in conformance with the provisions of the Privacy Act of 1974, as amended, immediately transmit such information to the Secretary, except that if disclosure of this information would contravene national policy or security interests of the United States, or the confidentiality of census data, the individual shall immediately so notify the Secretary and shall not transmit the information.

"(B) If no such information is found, the individual shall immediately so notify the Secretary.

"(3) COSTS AND FEES.—(A) The reasonable costs incurred by any such agency of the United States in providing any such information to the Secretary shall be reimbursed by the Secretary, and retained by the agency.

"(B) Whenever such information is furnished to a guaranty agency, that agency shall be charged a fee to be used to reimburse the Secretary for the expense of providing such information.".

SEC. 420. HIGHER EDUCATION TECHNICAL AMENDMENTS.

Subsection (c) of section 3 of the Higher Education Technical Amendments of 1991 (Public Law 102-26) is amended by striking "that are brought before November 15, 1992".

Subtitle C—Alternative Financing Provisions

SEC. 421. EFFECTIVENESS.

Notwithstanding any other provision of law or any other provision of this Act, all of the provisions of this subtitle and the provisions of parts II and III of subtitle B shall take effect only if—

(1) not later than the date of the enactment of this Act, the President submits to the Congress a written declaration of the need for the financing provisions under this subtitle, and

(2) the President has not submitted on or before such date the written declaration described in section 411.

SEC. 422. EXTENSION OF FUTA SURTAX.

Section 3301 of the Internal Revenue Code of 1986 (relating to rate of unemployment tax) is amended—

(1) by striking "1995" in paragraph (1) and inserting "1996", and

(2) by striking "1996" in paragraph (2) and inserting "1997".

SEC. 423. MODIFICATION TO INDIVIDUAL ESTIMATED TAX REQUIREMENTS.

(a) GENERAL RULE.—Paragraph (1) of section 6654(d) of the Internal Revenue Code of 1986 (relating to amount of required installments) is amended by adding at the end thereof the following new subparagraphs:

"(C) LIMITATION ON USE OF PRECEDING YEAR'S TAX.—

"(i) IN GENERAL.—In any case to which this subparagraph applies, clause (ii) of subparagraph (B) shall be applied as if it read as follows:

" '(ii) the greater of—

" '(I) 100 percent of the tax shown on the return of the individual for the preceding taxable year, or

" '(II) 90 percent of the modified current year tax (determined by only taking into account the adjustment set forth in clause (i) of subparagraph (D)).'

"(ii) CASES TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply if—

"(I) the modified current year tax exceeds the tax shown on the return of the individual for the preceding taxable year by more than $10,000 ($5,000 in the case of a separate return for the current year by a married individual),

"(II) the adjusted gross income for the current year exceeds $75,000, ($37,500 in the case of a married individual filing a separate return) and

"(III) the taxpayer has made a payment of estimated tax (determined without regard to subsection (g) and section 6402(b)) with respect to any of the preceding 3 taxable years (or a penalty is assessable under this section for a failure to pay estimated tax with respect to any of such 3 preceding taxable years).

"(iii) MAY USE PRECEDING YEAR'S TAX FOR FIRST INSTALLMENT.—This subparagraph shall not apply for purposes of determining the amount of the 1st required installment for any taxable year. Any reduction in an installment by reason of the preceding sentence shall be recaptured by increasing the amount of the 1st succeeding required installment (with respect to which the requirements of clause (iv) are not met) by the amount of such reduction.

"(iv) ANNUALIZATION EXCEPTION.—This subparagraph shall not apply to any required installment if the individual establishes that the requirements of subclauses (I) and (II) of clause (ii) would not have been satisfied if such subclauses were applied on the basis of—

"(I) the annualized amount of the modified current year tax determined under rules similar to the rules of paragraph (2)(B)(i) and by assuming that all items referred to in clause (i) of subparagraph (D) accrued ratably during the current year, and

"(II) the annualized amount of the adjusted gross income for months in the current year ending before the due date for the installment.

Any reduction in an installment under the preceding sentence shall be recaptured by increasing the amount of the 1st succeeding required installment (with respect to which the requirements of the preceding sentence are not met) by the amount of such reduction.

"(v) SOLE PENALTY.—No criminal or civil penalty (other than that imposed by this section) shall be imposed solely by reason of failing to meet the requirements of this section in a case to which this subparagraph applies if the individual made required installments on the basis of 100 percent of the tax shown on the return of the individual for the preceding taxable year.

"(vi) COST-OF-LIVING ADJUSTMENTS.—

"(I) IN GENERAL.—If the cost-of-living amount for any calendar year is equal to or greater than $2,500, then the dollar amounts under clause (ii)(I) (as previously adjusted under this clause) for any taxable year beginning in any subsequent calendar year shall be increased by $2,500 ($1,250 in the case of the dollar amount applicable to married individuals filing separate returns).

"(II) COST-OF-LIVING AMOUNT.—The cost-of-living amount for any calendar year is the excess (if any) of $10,000, increased by the cost-of-living adjustment for such calendar year, over the dollar amount in effect under clause (ii)(I) for taxable years beginning in such calendar year for individuals other than married individuals filing separate returns.

"(III) COST-OF-LIVING ADJUSTMENT.—For purposes of this clause, the cost-of-living adjustment for any calendar year shall be determined in the same manner as under section 1(f)(3), except that '1991' shall be substituted for '1989' in subparagraph (B) thereof.

"(D) MODIFIED CURRENT YEAR TAX.—For purposes of this paragraph, the term 'modified current year tax' means the tax shown on the return for the current year determined with the following modifications:

"(i) All pass-thru items of an S corporation or partnership shown on the return for the current year shall be treated as identical to the amount of such items shown on the return for the preceding taxable year.

"(ii) The amount of any gain from any involuntary conversion (within the meaning of section 1033) which is shown on the return for the current year shall be disregarded.

In the case of a 10-percent owner, clause (i) shall not apply.

"(E) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

"(i) CURRENT YEAR.—The term 'current year' means the taxable year for which the amount of the installment is being determined.

"(ii) PASS-THRU ITEMS.—The term 'pass-thru item' means any item of income, gain, loss, deduction, or credit attributable to an interest in a partnership or S corporation. Such term shall not include any gain or loss from the disposition of an interest in an entity referred to in the preceding sentence.

"(iii) 10-PERCENT OWNER.—The term '10-percent owner' means—

"(I) in the case of an S corporation, an individual who owns 10 percent or more (by vote or value) of the stock in such corporation, and

"(II) in the case of a partnership, an individual who owns 10 percent or more of the capital interest (or the profits interest) in such partnership, or who is a general partner.

"(iv) SPECIAL RULE.—If no return is filed for the current year, any reference in this subparagraph or subparagraph (C) or (D) to an item shown on the return for the current year shall be treated as a reference to the actual amount of such item for such year.

"(v) MARITAL STATUS.—Marital status shall be determined under section 7703."

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (C) of section 6654(i)(1) of such Code is amended to read as follows:

"(C) the amount of such installment shall be equal to the required annual payment determined under subsection (d)(1)(B) by substituting '66 2/3 percent' for '90 percent' and without regard to subparagraph (C) of subsection (d)(1), and".

(2) Subparagraph (A) of section 6654(j)(3) of such Code is amended by inserting before the period at the end thereof the following: "and subsection d(1)(C)(iii) shall not apply".

(3) Paragraph (4) of section 6654(l) of such Code is amended by striking "subsection (d)(2)(B)(i)" and inserting "paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

Subtitle D—General Budgetary Provisions

SEC. 431. EXEMPTION FROM SEQUESTRATION AND CONSIDERATION.

(a) NO SEQUESTRATION OF UNEMPLOYMENT COMPENSATION.—Notwithstanding any other provision of law, payments (including budget authority and outlays for administrative expenses incurred in connection with this Act) under titles I, II, and III of this Act (relating to emergency unemployment compensation) shall be exempt from any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) CONSIDERATION OF AMOUNTS.—All receipts and direct spending amounts provided by the provisions of (and amendments made by) this Act (for all fiscal years) and all appropriations authorized by the provisions of (and amendments made by) this Act (for all fiscal years, whenever appropriated) shall be counted as zero for all purposes under the Balanced Budget and Emergency Deficit Control Act of 1985 and for the purposes of all points of order under the Congressional Budget Act of 1974, except that such amounts shall be considered for purposes of—

(1) construction of the baseline for the President's budget and the congressional budget under section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985; and

(2) adjustment of the maximum deficit amount under subsection (c).

(c) ADJUSTMENT OF MAXIMUM DEFICIT AMOUNTS.—

(1) PRESIDENT'S BUDGET.—When the President submits the budget for fiscal years 1993, 1994, and 1995, in addition to any adjustments required by section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985, the maximum deficit amounts for the budget year and all outyears through fiscal year 1995 (under section 601(a) of the Congressional Budget Act of 1974) shall be adjusted to reflect up-to-date reestimates of the effects on the deficit of the provisions of (and amendments made by) this Act (including budget authority and outlays for administrative expenses incurred in connection with this Act).

(2) CALCULATION.—The required increase or decrease under this subsection shall be calculated so that the maximum deficit amount shall be increased by the amount by which the provisions of (and amendments made by) this Act increase the deficit and the maximum deficit amount shall be decreased by the amount by which the provisions of (and amendments made by) this Act decrease the deficit.

(d) DEFINITION.—For the purposes of this title, the term "administrative expenses incurred in connection with this Act" means an amount of $160,000,000 (in both budget authority and outlays) in fiscal year 1992, and includes amounts appropriated to implement section 303 of this Act, relating to the Advisory Council on Unemployment Compensation.

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

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered. The Chair recognizes the Senator from Hawaii.

HAWAII: STRANGERS IN PARADISE

Mr. AKAKA. Mr. President, I wish to bring to my colleagues' attention the premiere of a National Geographic special. I invite my colleagues, their families, and staff to tune in to PBS next Wednesday evening, November 13, and watch a remarkable documentary titled "Hawaii: Strangers in Paradise."

I have stood on this floor before, and I imagine I will again, to point out the plight of Hawaii's endangered plants and wildlife. "Strangers in Paradise" showcases the extremely fragile ecosystem of the Hawaiian Islands and discusses, for the first time before a nationwide audience, the biological emergency facing Hawaii.

I would also invite my colleagues to take a look at a report recently released by the U.S. Fish and Wildlife Service, the Hawaii Department of Land and Natural Resources, and the Nature Conservancy of Hawaii. This report is the first comprehensive inventory of Hawaii's flora and fauna and their habitat. The picture it paints is astonishing—and tragic.

Mark Twain once called the Hawaiian Islands the most lovely fleet of islands to lie anchored in any ocean. These islands are also the most isolated anywhere in the world—a fact which explains how Hawaii has come to host 10,000 native animal and plant species found nowhere else in the world.

And yet in spite of its stunning beauty and agreeable climate, Hawaii stands at the edge of an ecological abyss. Hawaii represents just two-tenths of 1 percent—0.2 percent—of the country's land mass, but accounts for more than 70 percent of the Nation's extinctions and more than one-quarter of its rare and endangered birds and plants. Indeed, Hawaii has the dubious honor of being known as the extinction capital of the world. It is a desperate battleground where the fight for survival is waged every day, and numerous plant and wildlife species are barely hanging on. Countless others have altogether disappeared.

Today's editions of the Christian Science Monitor and USA Today chronicle the plight of Hawaii's environment. In its lead sentence, the Monitor has accurately summarized Hawaii's problem as follows: "The Hawaiian Islands, home to 10,000 native animal and plant species found nowhere else on Earth—and the only tropical rain forests on United States soil—face a state of biological emergency."

The term "biological emergency" is not an overstatement. What Hawaii needs is an environmental call to arms.

Long before the first Polynesians came to Hawaii, nature was populating our islands at a very slow pace. Only an occasional insect or spore borne on the jet stream, or a bird blown off its migratory course, reached Hawaii. Sometimes these birds carried a plant seed in their feathers or droppings. But because Hawaii is 2,500 miles from any major land mass, such arrivals were a very rare event. Only once every 100,000 years did a new species successfully navigate the ocean or wind currents and establish itself. And because the introduction of new species proceeded so gradually, Hawaii's fragile tropical ecosystem had the time to adapt to these new visitors.

Now, all that has changed. When Europeans began to venture to Hawaii in the late 1770's, the introduction of new species accelerated dramatically. Whereas prior to the arrival of man only a single new species established itself every 100,000 years, today dozens reach our shores annually. Most of these alien species prey on native birds, plants, and insects, leaving a widening trail of biological decline and extinction.

Nearly 7 million people visit Hawaii each year, but the plight of Hawaii's threatened and endangered species is difficult to appreciate unless they travel to remote tropical habitats as I have. That is a unique and humbling experience, Mr. President, and perhaps the example of one of Hawaii's endangered species can give you some appreciation of how the struggle for survival is fought each day.

This morning's edition of USA Today tells the story of the 'o'o bird, and I would like to read a short passage from the article:

> A century ago, the Kauai 'o'o was a common little black bird whose songs echoed through the Hawaiian island swamps. But disease, probably carried by mosquitoes introduced to Hawaii by settlers, dwindled its numbers to just 12 in 1960 and two in 1981. Scientists watched the last known 'o'o in Kauai's Alakai wilderness build a nest each year and sing to attract a mate that never came. Then that songster disappeared in 1989.

The 'o'o may have sung its last verse. And unfortunately, the 'o'o is not alone. In Hawaii, we are witnessing the biological demise of countless plant and animal species that we, as humans, ultimately depend upon for our existence. Scientists estimate that humans rely on native organisms for nearly 75 percent of today's medicines and pharmaceutical products. With each passing day and with every new extinction, we lose more and more of the genetic material that could unlock a new cancer cure or provide the next generation of antibiotics. The profound concern I am addressing today relates to the ability of our race to survive and prosper.

Mr. President, I am ashamed of this terrible destruction and needless loss and even more ashamed of our Government's lack of will and action. In the Book of Genesis, God gave man dominion over the creatures of the earth, sea, and air. I fear mankind has broken this trust and not fully appreciated this gift, and we are about to reap the consequences.

But I am pleased that private, State, and Federal efforts have coalesced to produce this report entitled, "Hawaii's Extinction Crisis: A Call to Action." Despite the bleak picture painted by the report, it also points to a 10-point plan of action. The plan calls upon us to protect essential habitat for native species; provide stable and sufficient funding; create incentives for private landowners to protect endangered species and ecosystems on their property; halt the introduction of foreign pest species; strengthen conservation laws; increase scientific research and training; and raise public awareness.

These 10 points are essential to the recovery of Hawaii's ecological treasures. During the second session of the 102d Congress, I intend to propose legislation to implement this 10-point plan. During this first session, I have already taken action through a series of bills to address the threat of the brown tree snake, which has already caused the extinction of nine bird species in Guam. And I have held related hearings. But much, much more needs to be done.

Critics and naysayers will no doubt say, Why is this so important? Why should we care if an endangered snail or fern disappears? What difference does it make?

The point of all this, Mr. President, is not about one endangered bird or a threatened plant. The point is human survival and our role as caretakers of the Earth. Lose a bird or a plant species, and the planet will no doubt survive. But lose 100 or 1,000 species, then the planet grows ill and ecosystems come crashing down like a fragile house of cards. And if the Earth is no longer fit for animals to live upon, surely it will not be fit for humans, either.

Mr. President, I ask unanimous consent that a copy of today's Christian Science Monitor and USA Today articles be printed in the RECORD.

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

[From the Christian Science Monitor, November 7, 1991]

HAWAIIAN ISLANDS FACE EXTENSIVE ECOLOGICAL PERIL

(By Daniel B. Wood)

The Hawaiian Islands, home to 10,000 native animal and plant species found nowhere else on earth—and the only tropical rain for-

ests on United States soil—face a state of biological emergency.

A decade of private, state, and federal efforts have coalesced with the first comprehensive inventory of birds, plants, fish, animal life and habitat since statehood (1959). Due for release tomorrow, the new report by the US Fish and Wildlife Service, the Hawaii Department of Land and Natural Resources, and Natural Resources, and The Nature Conservancy of Hawaii includes several dire conclusions:

Nearly two-thirds of Hawaii's original forest cover has been lost, including 50 percent of vital rain forests. Ninety percent of lowland plains, once forested, have been destroyed.

Of 140 listed species of native birds, only 70 remain, 33 of which are endangered. Eleven more are beyond recovery.

As of this month, 37 Hawaiian plant species were federally listed as endangered. Within two years, 152 more will be proposed. Among the state's rarest plants are 93 species with no more than 100 known individual plants—including trees, shrubs, vines, herbs, and ferns. At least five species have been reduced to one individual.

"These three organizations have come together in the recognition that with all that has been and is being done, we are losing the battle," says Michael Buck, administrator of the Hawaii Division of Forestry and Wildlife. "The facts are quite sobering."

The cause of the decline is twofold: 1) a cumulative effect of land conversion to agriculture, ranching, and residential use; 2) introduction of non-native species of insects and mammals.

The state is particularly vulnerable to both as the most isolated land mass on Earth.

"Until man came, these islands were lucky to get one new species every 10,000 years," says Alan Holt, director of science and stewardship for the Nature Conservancy.

The influx of feral pigs, goats, horses, and cattle began in the 1700s. A crossroads of Pacific travel and trade, the islands have seen a dramatic increase in foreign pests in the last 15 years.

"Now when a new prey is introduced, it can wreak havoc," Mr. Holt says.

Native birds have been hard hit by malaria and pox brought by mosquitoes, for instance. Brown tree snakes, which have devastated bird species on Guam, have been intercepted on flights to Hawaii six times.

The banana poka, a passion-flower vine which is kept in check in native South America by feeding insects, has no such predator in Hawaii. The vine has smothered 70,000 acres of forests on two islands and is threatening larger tracts.

Loss of forests, plants, and wildlife impact every level of the state's economy and cultural heritage.

The report chronicles the danger of losing forests that intercept and generate rainfall, protect coral beaches from siltation, and generate unique materials for clothing, textiles, ornaments, canoes, and scientific study. The islands surpass even the Galapagos Islands off South America in numbers of species evolving from a single ancestor.

At least 50 species have evolved from a single common ancestor in Hawaii.

To bring awareness to the new findings, study sponsors have adopted a 10-point action plan that includes acquiring habitat and funding long-term stewardship of publicly-owned natural areas. Networks of state, federal, and private areas are joining into mega-reserves large enough to sustain populations of endangered bird species.

"We're finding it's not enough just to set aside land in a protectorate," says Dr. Joan Canfield, a botanist with the US Fish and Wildlife Service. "It needs to be actively managed for invasive plants and animals."

Propagation programs have already started, including captive rearing in zoos and botanical gardens. The nene (Hawaiian goose) and koloa (Hawaiian duck) have been bred successfully.

Besides new attempts to halt the flow of foreign pests into Hawaii—modeled after a successful campaign in New Zealand—the groups are lobbying for further landowner incentives to protect endangered species on their properties, increased effectiveness of conservation laws, and more extensive research.

To heighten public awareness, the report is timed to precede a major National Geographic television special. Entitled "Hawaii: Strangers in Paradise," the show airs on PBS Wednesday, Nov. 13.

"This report in a sense says the sky is falling on one of the most remarkable paradises on earth," notes Kelvin Taketa, director of the Pacific Region for the Nature Conservancy. "We're hoping it can help coalesce the kind of broad-based, national support that can help reverse the trend."

[From USA Today, Nov. 7, 1991]

"SILENT EXTINCTIONS" BEFALLS HAWAII'S FLORA, FAUNA

(By Linda Kanamine)

A century ago, the Kauai 'o'o (pronounced OH-OH) was a common little black bird whose songs echoed through the Hawaiian island swamps.

But disease, probably carried by mosquitoes introduced to Hawaii by settlers, dwindled its number to just 12 in 1960 and two in 1981.

Scientists watched the last known 'o'o in Kauai's Alaskai wilderness build a nest each year and sing to attract a mate that never came. Then that songster disappeared by 1989.

Similar sagas have occurred over and over in the Aloha State—home to less than 1% of the nation's land mass, yet nearly 75% of its documented plant and animals extinctions, says a new report out today.

"There's trouble in paradise," says David Klinger of the Fish and Wildlife Service.

The status report, written with the Nature Conservancy of Hawaii and the Hawaii Department of Land and Natural Resources, heralds increasing attention to Pacific troubles, Klinger says. Next: 189 Hawaiian plants will be proposed for endangered status.

Hawaii's primeval wilderness has been overtaken by foreign plants and animals (pigs, parrots, pineapple, sugar cane, amoung others), and diseases, carried to the islands beginning 1,500 years ago first by Polynesians, then waves of Europeans and Asians.

An average 12 new species each year invade Hawaii. Scientists now are watching for the brown tree snake from Guam, a ravenous predator that eats birds and bird eggs, in otherwise snake-free Hawaii.

Today, another prime culprit is development that clears native habitat for agriculture, ranching and homes.

At least half of more than 140 bird species are extinct. Of the 70 species remaining, 33 are endangered and 11 of those already may be beyond help.

37 types of plants are on the U.S. endangered species list. Among the rarest: 93 species with fewer than 100 individual plants left. Five have just a single plant remaining.

24 species of Oahu tree snails—part of native folklore—can no longer be found.

Two-thirds of original forest cover is lost, including half of rain forests.

On Wednesday, PBS airs a National Geographic special, Hawaii: Strangers in Paradise, taking a look at the crisis.

"Our goal is to alert people," says Carol Fox of the Nature Conservancy of Hawaii. "We worry about rain forests in Brazil and tend to think ours are all right. Well they're not."

Among 10 urgent actions recommended to stern the tide of extinctions:

Buy or set aside more habitat for native species.

Offer incentives for private landowners to protect endangered species and habitat on their properties.

Stop influx of foreign pest species.

Stiffen conservation laws and penalties.

Expand intensive rescue efforts of "species on the brink" of extinction.

Environmental damage is easy to understand when the culprit is a bulldozer, Fox says.

"But when it's the silent extinction of thousands of species on beautiful Hawaii, which you always thought was paradise, it's hard to understand the urgency. If we don't do something we could lose the battle."

ORDERS FOR TUESDAY, NOVEMBER 12, 1991

Mr. MITCHELL. Mr. President, I now ask unanimous consent that when the Senate completes its business on Friday, November 8, it stand in adjournment until 10 a.m. on Tuesday, November 12; and that, when the Senate reconvenes on Tuesday, November 12, the Journal of proceedings be deemed to have been approved to date; the call of the calendar be waived; and no motions or resolutions come over under the rule; that the morning hour be deemed to have expired; that following the time for the two leaders there be a period for morning business, not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each; and then that the Senate stand in recess from 12:30 p.m. until 2:15 p.m. on Tuesday, November 12.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. AKAKA. Mr. President, if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess as under the previous order until 10 a.m., Friday, November 8.

There being no objection, the Senate, at 8 p.m., recessed until Friday, November 8, 1991, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 7, 1991:

DEPARTMENT OF STATE

JOHN R. DAVIS, JR., OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ROMANIA.

EXECUTIVE OFFICE OF THE PRESIDENT

CHARLES TYROLER II, OF VIRGINIA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING OCTOBER 27, 1992, VICE JOHN R. SILBER, TERM EXPIRED.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

PAMELA J. TURNER, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING JULY 1, 1992, VICE PRISCILLA L. BUCKLEY, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate November 7, 1991:

EXECUTIVE OFFICE OF THE PRESIDENT

DAVID F. BRADFORD, OF NEW JERSEY, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

PAUL WONNACOTT, OF MARYLAND, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

FEDERAL RESERVE SYSTEM

SUSAN MEREDITH PHILLIPS, OF IOWA, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE UNEXPIRED TERM OF 14 YEARS FROM FEBRUARY 1, 1984.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

AIR FORCE

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTIONS 593, 8218, 8373, AND 8374, TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. RICHARD C. COSGRAVE, xxx-xx-x... AIR NATIONAL GUARD OF THE UNITED STATES.

ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. CARMEN J. CAVEZZA, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. CHARLES E. DOMINY, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. NEAL T. JACO, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM H. HARRISON, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CALVIN A. H. WALLER, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS ASSISTANT JUDGE ADVOCATE GENERAL, UNITED STATES ARMY AND FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 3037:

To be assistant judge advocate general

To be major general

BRIG. GEN. ROBERT E. MURRAY, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

To be permanent major general

BRIG. GEN. DAVID A. BRAMLETT, xxx-xx-x... U.S. ARMY.

BRIG. GEN. RICHARD A. BEHRENHAUSEN, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JOHN A. LEIDE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. ROBERT D. ORTON, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JAMES R. HARDING, xxx-xx-x... U.S. ARMY.
BRIG. GEN. FREDERICK E. VOLLRATH, xxx-xx-xxxx U.S. ARMY.
BRIG. GEN. RICHARD F. KELLER, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JOHN C. ELLERSON, xxx-xx-x... U.S. ARMY.
BRIG. GEN. KENNETH R. WYKLE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. DAVID C. MEADE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. RONALD V. HITE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. THOMAS M. MONTGOMERY, xxx-xx-xx... U.S. ARMY.
BRIG. GEN. DANIEL W. CHRISTMAN, xxx-xx-x... U.S. ARMY.
BRIG. GEN. RICHARD E. DAVIS, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JAMES M. LYLE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. RICHARD G. LARSON, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JOHNNIE E. WILSON, xxx-xx-x... U.S. ARMY.
BRIG. GEN. WILLIAM F. GARRISON, xxx-xx-x... U.S. ARMY.
BRIG. GEN. DEWITT T. IRBY, JR., xxx-xx-x... U.S. ARMY.
BRIG. GEN. THOMAS L. PRATHER, JR., xxx-xx-xxxx U.S. ARMY.
BRIG. GEN. JOHN G. COBURN, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JOHN H. LITTLE, xxx-xx-x... U.S. ARMY.
BRIG. GEN. WILLIAM G. CARTER, III, xxx-xx-xxxx U.S. ARMY.
BRIG. GEN. WESLEY K. CLARK, xxx-xx-x... U.S. ARMY.
BRIG. GEN. WALTER H. YATES, JR., xxx-xx-x... U.S. ARMY.
BRIG. GEN. HUBERT G. SMITH, xxx-xx-x... U.S. ARMY.
BRIG. GEN. CHARLES W. MCCLAIN, JR., xxx-xx-xx... U.S. ARMY.
BRIG. GEN. RICHARD E. BEALE, JR., xxx-xx-x... U.S. ARMY.
BRIG. GEN. PAUL E. BLACKWELL, xxx-xx-x... U.S. ARMY.
BRIG. GEN. ROBERT E. GRAY, xxx-xx-x... U.S. ARMY.
BRIG. GEN. JARED L. BATES, xxx-xx-x... U.S. ARMY.
BRIG. GEN. RICHARD F. TIMMONS, xxx-xx-x... U.S. ARMY.

THE FOLLOWING-NAMED ARMY NURSE CORPS COMPETITIVE CATEGORY OFFICER FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent brigadier general

COL. NANCY R. ADAMS, xxx-xx-x... U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE JUDGE ADVOCATE GENERAL'S CORPS, UNITED STATES ARMY, AND IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A), 624(C) AND 3037:

To be permanent brigadier general

COL. MICHAEL J. NARDOTTI, JR., xxx-xx-x... U.S. ARMY.

THE UNITED STATES ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. RICHARD B. BURLESON, xxx-xx-x...
BRIG. GEN. PAUL P. DE LA VERGNE, xxx-xx-x...
BRIG. GEN. GEORGE L. GUNDERMAN, xxx-xx-x...
BRIG. GEN. GENE P. HALE, xxx-xx-x...
BRIG. GEN. PAUL R. LISTER, xxx-xx-x...
BRIG. GEN. ROBERT L. MENIST, xxx-xx-x...
BRIG. GEN. ROSS G. PICKUS, xxx-xx-x...
BRIG. GEN. CLAUDE J. ROBERTS, JR., xxx-xx-x...
BRIG. GEN. JOHN E. SCULLY, JR., xxx-xx-x...
BRIG. GEN. JOHN E. SIMEK, xxx-xx-x...
BRIG. GEN. RONALD E. SNEED, xxx-xx-x...

To be brigadier general

COL. DALE F. ANDRES, xxx-xx-x...
COL. WILLIAM E. BARRON, xxx-xx-x...
COL. THOMAS C. COLLINS, xxx-xx-x...
COL. ALAN E. DEEGAN, xxx-xx-x...
COL. GEORGE W. GOLDSMITH, JR., xxx-xx-x...
COL. JOHN M. GOSDIN, xxx-xx-x...
COL. WILLIAM B. HOBGOOD, xxx-xx-x...
COL. GEORGE O. HILLARD, III, xxx-xx-x...
COL. CHARLES A. INGRAM, xxx-xx-x...
COL. AXEL A. JOHNSON, III, xxx-xx-x...
COL. JAMES C. JOHNSON, xxx-xx-x...
COL. CALVIN LAU, xxx-xx-x...
COL. DARREL W. MCDANIEL, xxx-xx-x...
COL. JAMES M. MCDOUGAL, xxx-xx-x...
COL. MARILYN J. MUSACCHIO, xxx-xx-x...
COL. JAMES H. PHILLIPS, xxx-xx-x...
COL. STEVE L. REPICHOWSKI, xxx-xx-x...
COL. HAROLD H. SHIVELY, JR., xxx-xx-x...
COL. CHARLES F. SMITH, xxx-xx-x...
COL. CARL J. TEGTMEIER, xxx-xx-x...
COL. PAUL C. BERGSON, xxx-xx-x...

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES B. EICHELBERGER, xxx-xx-xxxx U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ELLIS D. PARKER, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED ARMY MEDICAL CORPS OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent brigadier general

COL. JAMES J. JAMES, xxx-xx-x... U.S. ARMY.
COL. JAMES B. PEAKE, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. WILLIAM G. T. TUTTLE, JR. xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. JIMMY D. ROSS, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARVIN D. BRAILSFORD, xxx-xx-... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. WILLIAM G. PAGONIS, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. LEON E. SALOMON, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. IRA C. OWENS, xxx-xx-x... U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general.

MAJ. GEN. SAMUEL N. WAKEFIELD, xxx-xx-x... U.S. ARMY.

NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be admiral

VICE ADM. JEREMY M. BOORDA, xxx-xx-x... U.S. NAVY.

THE FOLLOWING OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5141:

To be chief of naval personnel

To be vice admiral

REAR ADM. (1H) RONALD J. ZLATOPER, xxx-xx-xx... U.S. NAVY.

IN THE AIR FORCE

AIR FORCE NOMINATION OF LT. COL. SIDNEY M. GUTIERREZ, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING DONALD L MAPES, AND ENDING KENNETH D SCOTT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING BRADFORD L RIZA, AND ENDING KURT D SCHUMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING MAJ. JAMES W. BAILEY, xxx-xx-xxxx AND ENDING MAJ. RICHARD F. HETTINGER, xxx-xx-x... WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING MAJ. JOHN L. BAKER, [redacted] AND ENDING MAJ. THOMAS S. TUCKER, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING LOUIS M AYERS, JR, AND ENDING CHARLES P KIELKOPF, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING ANDREW J ADAMS, AND ENDING CARLOS R ZENDEJAS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING GARY J ABBATE, AND ENDING DON R ZISS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

AIR FORCE NOMINATIONS BEGINNING DAVID J AGEMA, AND ENDING JOHN F ULRICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 19, 1991.

AIR FORCE NOMINATIONS BEGINNING MAJ. STEPHEN J. BITTNER, [redacted] AND ENDING MAJ. KENNETH K. HSU, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 24, 1991.

IN THE ARMY

ARMY NOMINATIONS BEGINNING WILLIAM C. OHL, II, AND ENDING * EMIL A. STEIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING CHARLES W. ANDRES, AND ENDING CYNTHIA TRUJILLO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING ROBERT D. JORDAN, AND ENDING GERALD P. RUDD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING PAUL D. AMOS, AND ENDING PATRICIA B. WISE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING RACHEL A. ADDISION, AND ENDING THEODORE W. SLONE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING FLORA T. ABUEVA, AND ENDING CRAIG W. WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING CURTIS T. ANDERSON, AND ENDING FRAN W. WALTERHOUSE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

ARMY NOMINATIONS BEGINNING MARK D. AHNER, AND ENDING LARRY J. DUBOSE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 25, 1991.

ARMY NOMINATIONS BEGINNING JOHNNY R. ABBOTT, AND ENDING 443A, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 24, 1991.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING SCOTT W. EVANS, AND ENDING FRANK E. ZEIGLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

MARINE CORPS NOMINATIONS BEGINNING WILLIAM B. BOHN, AND ENDING ROBERT A. VOJTIK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 19, 1991.

MARINE CORPS NOMINATIONS BEGINNING LAURENCE FARNEN, JR., , AND ENDING WILLIAM D. YORK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 22, 1991.

IN THE NAVY

NAVY NOMINATIONS BEGINNING DAVID M. HARLAN, AND ENDING DAVID LEIVERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

NAVY NOMINATIONS BEGINNING MATTHEW A. LISOWSKI, AND ENDING SHARON N. HIRAKO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

NAVY NOMINATIONS BEGINNING RANDALL SCOTT BUTLER, AND ENDING MICHAEL LEE THOMPSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 11, 1991.

NAVY NOMINATIONS BEGINNING HUGH L. MIDDLETON, AND ENDING MILES L. WILHELM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 22, 1991.

NAVY NOMINATION OF MICHAEL ALLEN BAKER, U.S. NAVY, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 24, 1991.