to work. But being an only child around ''grown folk all the time'' forced her to grow up fast.

''I didn't have no brothers or no sisters. Whatever I saw the grown people do, I tried to do myself. You don't know what you can do until you try,'' she said.

Now all she wants is to give young black students a chance; a chance she says she didn't have. She has no ties to USM. She has never visited the campus, only passed by it on occasion. But her demeanor turns serious when she thinks about what her donation might do.

''Our race goes to that school,'' she says. ''Used to be that we couldn't. I want to do the children some good. It won't do me no good because I'm old.''

USM's Lucas knows the many students that McCarty's gift will reach. But he said he is as touched by the person as he is by her gift.

''She lives a simple life,'' he said. ''Her enjoyment comes from being independent, saving her resources and not wasting them. She enjoys the simple things in life, going to church, talking to friends. She feels very fulfilled.''

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 883. A bill to amend the Federal Credit Union Act to enhance the safety and soundness of federally insured credit unions, to protect the National Credit Union Share Insurance Fund, and for other purposes (Rept. No. 104–133).

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. FAIRCLOTH (for himself, Mr. FRIST, Mr. BENNETT, and Mr. SHELBY):

S. 1132. A bill to amend the Fair Housing Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCONNELL (for himself, Mr. HARKIN, and Mr. HATCH):

S. 1133. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NICKLES (for himself, Mr. GRAMS, Mr. DOLE, Mr. COATS, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. COVERDELL, Mr. SHELBY, Mr. MACK, Mr. THURMOND, Mr. GRAMM, Mr. SANTORUM, Mr. SMITH, Mr. KYL, Mr. THOMPSON, Mr. INHOFE, Mr. CRAIG, Mr. BENNETT, Mr. BROWN, and Mr. LOTT):

S. 1134. A bill to provide family tax relief; to the Committee on Finance.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 1135. A bill to amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. BROWN, Mr. KYL, Mr. ABRAHAM, and Mrs. FEINSTEIN):

S. 1136. A bill to control and prevent commercial counterfeiting, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS (for himself and Mr. BROWN):

S. 1137. A bill to amend title 17, United States Code, with respect to the licensing of music, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 1138. A bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes; to the Committee on Finance.

By Mr. LOTT (for himself, Mr. STEVENS, Mrs. HUTCHISON, Ms. SNOWE, Mr. HOLLINGS, Mr. INOUYE, Mr. BREAUX, and Ms. MIKULSKI):

S. 1139. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. EXON (for himself, Mr. HOLLINGS, and Mr. INOUYE):

S. 1140. A bill to amend title 49, United States Code, to terminate the Interstate Commerce Commission and establish the United States Transportation Board within the Department of Transportation, and to redistribute necessary functions within the Federal Government, reduce legislation, achieve budgetary savings, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PRESSLER (for himself and Mr. BURNS):

S. 1141. A bill to authorize appropriations for the activities of the Under Secretary of Commerce for Technology, and for Scientific Research Services and Construction of Research Facilities activites of the National Institute of Standards and Technology, for fiscal years 1996, 1997, and 1998, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PRESSLER (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. BURNS, and Mr. BREAUX):

S. 1142. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 1143. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FAIRCLOTH (for himself, Mr. FRIST, Mr. BENNETT, and Mr. SHELBY):

S. 1132. A bill to amend the Fair Housing Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE FAIR HOUSING REFORM AND FREEDOM OF SPEECH ACT OF 1995

● Mr. FAIRCLOTH. Mr. President, today I am introducing the Fair Housing Reform and Freedom of Speech Act of 1995.

Mr. President when I ran for the Senate in 1992, one of the themes of my campaign was that I wanted a return to common sense in Washington, DC. The purpose of the bill I am introducing today is to bring a little common sense to our nation's housing policy, and particularly the way the Clinton administration has conducted housing policy.

First, this bill would overturn the recent Supreme Court ruling in City of Edmonds versus Oxford House. In that case, a home for 10 to 12 recovering drug addicts and alcoholics was located in a single family neighborhood. The city tried to have the house removed because it violated the city's local zoning code that placed limits on the number of unrelated persons living together. the Supreme Court ruled that the Fair Housing Act was violated by this zoning law.

I think the Supreme Court ruled incorrectly in this case. The Congress clearly intended an exemption from the Fair Housing Act regarding the number of unrelated occupants living together. My bill would clarify that localities can continue to zone certain areas as single family neighborhoods, by limiting the number of unrelated occupants living together. In my opinion, I think families should be able to live in neighborhoods without the threat that groups homes—unsuitable for single family neighborhoods—can move in next door and receive the protection of the Fair Housing Act.

But the most important point is this one; decisions about zoning should be made in cities and towns and not in Washington. If a locality wants to permit groups homes in a certain area—it can do so without HUD interfering in the decision.

Mr. President, my bill would also correct the abuses of the Fair Housing Act by the Clinton administration. In the past year, HUD has taken to suing people under the Fair Housing Act who have protested group homes coming into their neighborhoods. The most well known of these cases was the incident involving three residents in Berkeley, CA. HUD's actions were a blatant violation of their right to freedom of speech. HUD's abuse was so bad, that they dropped the suit and promised they wouldn't do it again. HUD even issued new guidelines on the subject so it couldn't happen again.

But, just recently—HUD has done it again. This time HUD is suing five Californians who went to court to get a restraining order against a group home for the developmentally disabled that was planned for their neighborhood.

Mr. President, the issue is not whether the location for this group home is proper, that issue can be decided by the courts. The issue is freedom of speech. I believe anybody has the right to speak their mind and to take legal action against what they think is an injustice. HUD won't even let them do that.

HUD takes the opposite view. They want to intimidate people into submission. They want to use the Fair Housing Act as a weapon to silence legitimate speech, not discrimination. In the

process, they have trivialized real discrimination. They have made a laughing stock of the Fair Housing Act—that it could actually be used to silence legal protest. This is wrong and it has to stop.

Mr. President, I hope that we can make these reforms to the Fair Housing Act. We need to preserve this act to prevent real discrimination, but we do not need to use the act to pursue a far, far left agenda that defies common sense, and silences free speech.●

By Mr. MCCONNELL (for himself, Mr. HARKIN, and Mr. HATCH):

S. 1133. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP LEGISLATION

● Mr. MCCONNELL. Mr. President, today I am introducing legislation that would give food stamp recipients greater flexibility to balance their diets by permitting food stamp purchases of vitamins and mineral supplements.

The Food Stamp Program is the U.S. Department of Agriculture's largest income security program. Its goal of providing all Americans access to healthy, nutritious diets is pursued by increasing the food purchasing power of more than 27 million low-income Americans in 11 million households each day.

While it is possible to receive optimum levels of nutrients through a careful selection of foods, the fact is that most people do not. A government survey of 21,000 Americans showed that not a single person surveyed obtained 100 percent of the recommended daily allowance [RDA] for all of the essential vitamins and minerals. Scientific research shows that many nutrients play an important role in reducing the risk of various common and chronic diseases. So, it is no surprise that millions of Americans regularly take vitamin and mineral supplements to assure that they receive appropriate levels of these essential nutrients.

Unfortunately, food stamp recipients have not been permitted to use their food stamps to purchase vitamin and mineral supplements. Therefore, the legislation I am proposing would permit Food Stamp Program recipients the option of spending the few pennies a day it costs to purchase vitamin and mineral supplements.

Mr. President, this legislation would help the people who need nutritional help the most—the poor—especially women of childbearing age, young children, and the elderly. Their access to vitamin and mineral supplements can help them assure they are receiving a nutritious diet. I urge my colleagues to consider the positive contribution to public health that can be achieved through permitting low-income Americans access to vitamin and mineral supplements.

My legislation is simple, it permits vitamin and mineral supplements to be purchased with food stamp coupons. It helps the people who need nutritional food the most, the poor and elderly. If food stamp recipients are permitted to use their food stamps to buy nutritional supplements, everybody will be helped. Vitamin and mineral supplements are considered an accessory food and therefore would have no effect on the number of stores participating in the Food Stamp Program. I urge all of my colleagues to take a look at this legislation and consider the positive health benefits that vitamin and mineral supplements can add to a healthy diet.●

● Mr. HARKIN. Mr. President, I am pleased to join Senator MCCONNELL and Senator HATCH in introducing legislation today that will allow the use of food stamps for the purchase of nutritional supplements. I believe this important legislation can contribute substantially to improving the nutrition and health of a segment of our society that too often falls below adequate levels of nutrient consumption.

Scientific evidence continues to mount showing that good nutrition is essential for normal growth and cognitive development in children, and for improved health and the prevention of a variety of conditions and illnesses. That knowledge is the underlying basis for our Federal nutrition assistance programs.

Studies have also shown, unfortunately, that many Americans do not have sufficient dietary intakes of a number of important nutrients. Insufficient dietary intakes are especially critical for children, pregnant women, and the elderly.

A recent study conducted by the Tufts University School of Nutrition, and based on government data, showed that millions of poor children in the United States have dietary intakes that are well below the government's recommended daily allowance for a number of important nutrients. The study found that major differences exist in the intakes of poor versus nonpoor children for 10 out of 16 nutrients—food energy, folate, iron, magnesium, thiamin, vitamin A, vitamin B6, vitamin C. Vitamin E, and zinc. Moreover, the proportion of poor children with inadequate intakes of zinc is over 50 percent; for iron, over 40 percent; and for vitamin E, over 33 percent. For some nutrients, such as vitamin A and magnesium, the proportion of poor children with inadequate intakes is nearly six times as large as for nonpoor children.

Pregnant women also have high nutritional needs. For example, after years of concern about inadequate folate intake by pregnant women, the Public Health Service has issued a recommendation regarding consumption of folic acid by all women of childbearing age who are capable of becoming pregnant for the purpose of reducing the incidence of spina bifida or other neural tube defects.

Millions of Americans, including myself, take dietary supplements to improve their health, prevent illness, and ensure that they and their families are consuming sufficient levels of key nutrients.

This legislation would enable low-income people to have greater access to nutritional supplements to improve their diet. Currently, recipients of food stamps are not allowed to use those resources to purchase nutritional supplements. This restriction clearly serves as an impediment to adequate nutrition for low-income people who may need supplements to ensure they are consuming sufficient levels of nutrients.

The current restriction also prevents food stamp recipients from exercising their own responsibility and choice to use food stamps for purchasing nutritional supplements that they determine are important for the health of their children or themselves. It is a glaring inconsistency that food stamps may currently be used to purchase a variety of non-nutritious or minimally nutritious foods but not to purchase nutritional supplements—to purchase diet soft drinks having no nutritive value, but not to purchase folic acid which may prevent a fatal birth defect.

Opponents of this legislation will argue that food stamps are most effectively used to improve nutrition through purchasing food rather than nutritional supplements, and that if food stamps may be used for nutritional supplements, households will be less able to stretch their resources to purchase sufficient quantities of food. The available evidence indicates, however, that food stamp households actually make more careful and effective use of their resources in purchasing nutritious foods than consumers in general. Since food stamp households necessarily have a limited amount of money to spend on food—and generally already find it difficult to meet their food needs—they simply cannot afford to make unwise or unnecessary purchases of nutritional supplements using food stamps which would otherwise be used for food. So I believe the concerns that food stamps will be wasted or unwisely used for nutritional supplements is unfounded.

Mr. President, I hope that my colleagues will join in supporting this legislation designed to improve opportunities for low-income Americans to ensure adequate nutrition and improved health for their families and themselves.●

By Mr. NICKLES (for himself, Mr. GRAMS, Mr. DOLE, Mr. COATS, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. COVERDELL, Mr. SHELBY, Mr. MACK, Mr. THURMOND, Mr. GRAMM, Mr. SANTORUM, Mr. SMITH, Mr. KYL, Mr. THOMPSON, Mr. INHOFE, Mr. CRAIG, Mr. LOTT, and Mr. BENNETT):

S. 1134. A bill to provide family tax relief; to the Committee on Finance.

THE AMERICAN FAMILY TAX RELIEF ACT OF 1995

● Mr. NICKLES. Mr. President, when the Senate returns from the August recess we will begin the long, hard budget reconciliation process. We have already come a long way toward our goal of balancing the Federal budget, but reconciliation is the real test of our leadership and our commitment. The spending cuts we will enact will not come without sacrifice from many people. Fortunately, that sacrifice will not go unrewarded, because we intend to cut spending enough to balance the budget, plus provide tax relief to Americans.

Today I am pleased to introduce legislation which represents a key portion of our promise to reduce taxes on American families. The American Family Tax Relief Act will provide a $500 per child tax credit to benefit 52 million children in 35 million families nationwide.

I am also pleased to say that my legislation is being cosponsored by many of my colleagues, several of which have worked for years to enact a family tax credit. My cosponsors include longtime family credit sponsors Senator GRAMS and Senator COATS, the Majority Leader Senator DOLE, Senator FAIRCLOTH, Senator KEMPTHORNE, Senator COVERDELL, Senator MACK, Senator THURMOND, Senator GRAMM, Senator SANTORUM, Senator SMITH, Senator KYL, Senator THOMPSON, and Senator INHOFE.

Mr. President, the Balanced Budget Resolution we passed earlier this year promised that if we do our job, that is if we enact spending cuts sufficient to balance the budget by fiscal year 2002, the economy will reward us with a fiscal dividend sufficient to reduce the tax burden on our citizens by up to $245 billion over 7 years. While many critics have complained that a tax cut of that magnitude is too generous, consider the following facts. Over the next 7 years the Federal Government will take more than $11.4 trillion out of the pockets of American families and businesses. A tax cut of $245 billion is barely 2 percent of that amount.

With that $245 billion, we are going to reverse the trend of tax increases which have marked the past several years, reduce taxes on families and businesses, and increase savings and investment. I firmly believe, however, that the priority should be on families. At least 60 to 70 percent of our fiscal dividend should be family friendly, and that is why I am introducing this legislation.

Why is family tax relief important, Mr. President? Primarily because today's families with children are overtaxed. In 1948, the average American family paid only 3 percent of its income in Federal taxes. Today, the same family pays over 25 percent. This mounting tax burden is caused by many factors, but particularly damaging are heavy payroll taxes and the eroding value of the personal and dependent exemption. In 1948, the dependent exemption equaled 42.1 percent of per capita personal income, effectively shielding that income from taxation. Today's dependent exemption of $2,500 equals only 10.9 percent of per capita personal income. Congress would have raise the exemption to $9,657 to provide the same benefit as 1948. Payroll taxes hit families with children particularly hard because most of their income comes in the form of wages. Nearly three-fourths of all taxpayers now pay more in payroll taxes than income taxes.

Another reason to enact family tax relief is that it can make our tax system more progressive and literally remove the IRS from the lives of millions of families. A study by the Heritage Foundation based on IRS and Bureau of the Census data estimates that a $500 per child tax credit would: eliminate all Federal income tax liability for families of four earning between $17,000 and $24,000 per year, cut by 50 percent the income tax burden of a family earning $30,000 per year, cut by 30 percent the income tax burden of a family earning $40,000 per year, cut by 6.8 percent the income tax burden of a family earning $100,000 per year, and cut by 2.6 percent the income tax burden of a family earning $200,000 per year.

Heritage further estimates that the typical congressional district has 117,000 children in families eligible for a $500 credit, meaning $59 million per year in lower taxes which families can spend on their own priorities. Families in the state of Oklahoma stand to gain over $322 million. I have no doubt that those Oklahoma parents can spend that money much more wisely than the Federal bureaucracy.

Mr. President, the American Family Tax Relief Act is nearly identical to the family tax credit passed by the House earlier this year as part of the Contract with America. The only difference between our proposals is that my bill has no income limit. Because the President and our Democrat colleagues have shown a near rabid desire to turn any tax cut initiative into a class war, I have no doubt that we will discuss this issue at length in the Senate Finance Committee and on the Senate floor. However, there is absolutely no economic or tax policy justification to limit the family tax credit to certain income levels. The only reasons are political, ones, and even those pale when you realize that almost all children, 94 percent, live in families with incomes below $100,000.

I thank my colleagues, and I encourage those who have not already done so to join me in this important initiative.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 1134

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 ''American Family Tax Relief Act of 1995''.

SEC. 2. FAMILY TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 22 the following new section:

''SEC. 23. FAMILY TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 multiplied by the number of qualifying children of the taxpayer.

''(b) QUALIFYING CHILD.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying child' means any individual if—

''(A) the taxpayer is allowed a deduction under section 151 with respect to such individual for such taxable year,

''(B) such individual has not attained the age of 18 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

''(C) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B) (determined without regard to clause (ii) thereof).

''(2) EXCEPTION FOR CERTAIN NONCITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(c) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of a taxable year beginning in a calendar year after 1996, the $500 amount contained in subsection (a) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)3 for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(d) CERTAIN OTHER RULES APPLY.—Rules similar to the rules of subsections (d) and (e) of section 32 shall apply for purposes of this section.''

(b) CONFORMING 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 22 the following new item:

''Sec. 23. Family tax credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

THE AMERICAN FAMILY TAX RELIEF ACT—TECHNICAL DESCRIPTION

FAMILY CREDIT

The American Family Tax Relief Act would provide a maximum, non-refundable credit against income tax liability of $500 for each qualifying child.

In calendar years after 1996, the maximum credit amount is indexed annually for inflation, with rounding to the nearest multiple of $50.

QUALIFYING CHILD

A qualifying child must satisfy the following tests:

Relationship test: the child must be a son, stepson, daughter, or stepdaughter of the

taxpayer, a descendent of a son or daughter of the taxpayer, or a foster or adopted child of the taxpayer.

Dependency test: the child must be a dependent of the taxpayer with respect to whom the taxpayer is entitled to claim a dependency deduction. The child must also be a resident of the United States, except that a non-resident adopted child who lived with the taxpayer for the entire taxable year would satisfy this test.

Age test: the child must be under age 18 at the end of the calendar year in which the taxpayer's taxable year begins.

FILING STATUS

Married individuals must file a joint return to claim the credit, unless they lived apart from their spouse for the last six months of the taxable year and the individual claiming the credit (1) maintains the household for the qualifying child for more than half of the year and (2) furnishes over half of the cost of maintaining that household.

EFFECTIVE DATE

These provisions are effective for taxable years beginning after December 31, 1995.

● Mr. COATS. Mr. President, I am pleased that Majority Leader DOLE and Senator ROD GRAMS and myself to ensure the passage of a $500 per child tax credit by introducing the American Family Tax Relief Act of 1995. Many of my colleagues are already familiar with the Family's First legislation that I introduced earlier this year. The centerpiece of this legislation is the $500 per child tax credit which I have been proposing for the last 3 years.

The $500 per child tax credit already has cleared the House. The introduction of this legislation with strong leadership support is great news for the hard working families of America. With Majority Leader DOLE's support and leadership on this issue, I am now confident that the Senate will include a $500 per child tax credit in the reconciliation bill later this year.

The time has come to show families that they are a priority—for too long we have ignored their cries of help. The federal tax burden on the typical American family has become overwhelming. In 1948, the average American family of four paid just 3 percent of its income to the Federal Government. By 1992, that tax bill has skyrocketed to 24.5 percent of family earnings.

This dramatically increased tax burden complicates the family's role—to provide for the social and moral education of children. Family tax reform is more than a matter of money. It will help restore the family to an economic position that allows it to fulfill its most vital responsibilities.

In 1993, the bipartisan Commission on America's Urban Families found that ''the trend of family fragmentation drives the nation's most pressing social problems: crime, educational failure, declining mental health, drug abuse, and poverty. These, in turn, further fragment families.''

The Commission continued, ''To date, the nation's basic response has been policies that attempt to address the negative consequences of this trend. This response has been insufficient. Our principal national goal must be to reverse the trend of family fragmentation.''

One of the key policy recommendations of the commission was to ''increase the self-sufficiency and economic well-being of families by either significantly increasing the personal exemption * * * or a child tax credit for all children through age 18.''

The findings of the National Commission on Urban Families were remarkably similar to those advocated 3 years earlier by the Democratic Progressive Policy Institute. In an impressive report entitled ''Putting Children First: A Progressive Family Policy for the 1990s'', this group found:

America is the only country among the eighteen rich democracies in the world that does not have a family allowance or some other sort of government subsidy per child. Western European countries recognize that nurturance has a great societal value. . . [T]hese societies have acknowledged that there are some things that only families can do and that if families are placed under so much stress that they cannot raise children effectively, the rest of society cannot make up the difference in later years.

The United States used to have a form of family allowance; we just did not call it that. In 1948 there was a pro-family government policy based on a simple notion: the government should not tax away that portion of a family's income that is needed to raise children.

The Progressive Policy Institute concluded, ''We believe that a primary goal of our tax policy should be to bolster families who are raising children.''

When families fail, the cost to society is enormous. As we have learned in the past decades, programs aimed at fixing the failures are not only expensive, they are often ineffective.

I believe that it is time to reassess our priorities. We need to direct our focus, and our funds, to strengthen the family. I believe this legislation takes us on the right course.

Obviously, government's role in preserving the family is limited but it is not insignificant. Perhaps the single most important thing government can accomplish is to alleviate the economic stress on the family.

Economist Eugene Steurle noted that in 1948 the personal exemption was $600 and the median family income was $3,187. This meant that a family of four paid only 3 percent of its income in federal income taxes. He noted that the net result of the ensuing erosion of the personal exemption has been that ''tax-exempt levels for households without dependents have been moving closer and closer to tax-exempt levels for households with dependents.''

In 1948, the personal exemption shielded 42 percent of family income from taxes. By 1992, that tax bill had skyrocketed to 24.5 percent of family earnings, and the value of that exemption has eroded to 11 percent of income. In order for the personal exemption to provide the same benefit as it did in 1948 it would have to be raised from $2,500 to $9,657.

With rising costs and the seemingly never-ending tax burden, it is nearly impossible for American families to get ahead today. Families are working harder today than ever before. Many Hoosiers continually tell me that its just harder and harder to make ends meet. Sometimes one or both parents are working two jobs which takes more time away from the family just to pay the tax man.

In my home state of Indiana the median income for a family of four is $34,082. Of that, nearly $11,000 is devoted to federal, state, and local taxes. The average family in Indiana pays more in taxes than it does in housing, food, and clothing expenses combined. The Tax Foundation has stated that Indiana families worked 117 days this year until April 27 to pay Uncle Sam.

Some have said that $500 will not go far. To them I say, you have been inside the beltway for too long. Economists have noted, that invested over the life of the child, it is enough today for a state college education. It means $80 of grocery money each month. And it may buy time for parents to spend with their children, time to instill the values of love and discipline that are critical in the formation of citizens of character.

Fifty-two million children are eligible for this credit, and 86 percent of this tax relief would go to families making less than $75,000 per year.

The American social fabric is seriously strained. When families fail, the cost to society is enormous. That failure is measured in lost dollars and in lost lives. the lessons learned from decades of social spending are clear. Government cannot effectively stay the hand of despair and destruction. Strong families can. We simply cannot afford to ignore the evidence before us. Family preservation must be paramount in our Federal policy. I am pleased that the Majority Leader and Senator NICKLES have joined the family tax relief effort. I look forward to working with them this fall to enact the $500 per child tax credit this year.●

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 1135. A bill to amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SEED CROPS LEGISLATION

● Mr. CRAIG. Mr. President, my purpose here today is to introduce a bill that would amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program.

It was my understanding that seed crops were to be covered under the Federal Crop Insurance Corporation [FCIC] changes that were implemented as part of the USDA reorganization in the 103d

Congress. Since my understanding differs from the current implementation, I urge my colleagues to accept this amendment and rectify the situation.

As the origin of all crop production, a stable supply of seeds is an absolute necessity. If seed producers are to continue supplying a valuable product, they must have access to risk management tools, which includes insurance coverage. In my State of Idaho, we are proud to produce the Nation's largest supply of seed for sweet corn, field beans, garden beans, and teff. In addition, Idaho is among the top producers of alfalfa, popcorn, and turf grasses.

Mr. Chair, I urge my colleagues to join me in enabling this industry to utilize the insurance coverage that is provided to other agricultural commodities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NONINSURED CROP DISASTER ASSISTANCE COVERAGE OF SEED CROPS.

Section 519(a)(2)(B) of the Federal Crop Insurance Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting ''seed crops,'' after ''turfgrass sod,''. ●

● Mr. KEMPTHORNE. Mr. President, the Idaho delegation today is taking steps to right a wrong. Senator CRAIG and I are joining our colleagues in the House, Representatives CRAPO and CHENOWETH in introducing legislation to clarify congressional intent regarding the Federal crop insurance program reform that the 103d Congress completed.

Implementing crop insurance reform has not always been the smoothest process, as Idaho's agriculture producers can attest. While that reform was a much needed step forward in streamlining the Federal crop insurance program, there is still work to be done. This bill tackles one part of that remaining effort.

When the Federal crop insurance reforms were implemented last year, the agency interpreted the law to be strictly limited to commodities that are consumed directly as foodstuffs. Such an interpretation ignores some crops which had traditionally been covered under the crop insurance umbrella. Among those are seed crops.

I am here today as someone who supported Federal crop insurance reform, to say that such an exclusion was not the intent of Congress. The bill Senator CRAIG and I are introducing today will set the record straight.●

By Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. BROWN, Mr. KYL, Mr. ABRAHAM, and Mrs. FEINSTEIN):

S. 1136. A bill to control and prevent commercial counterfeiting, and for other purposes; to the Committee on the Judiciary.

THE ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995

Mr. HATCH. Mr. President, I am pleased to be joined today by my colleagues, Senators LEAHY, THURMOND, BROWN, KYL, ABRAHAM, and FEINSTEIN, in introducing legislation to confront a rapidly growing threat to American industry and to the public: trademark counterfeiting. Stated simply, it is time we knock-out the knock-off industry.

We contacted some selected U.S. industries and found that the impact of counterfeiting losses are substantial. Companies invest heavily in developing and maintaining their reputations. And, the jobs of millions of American workers depend on the competitiveness of their employers.

Sales of pirated motion pictures cause losses equal to 8 percent of all movie sales revenue. The pirates are so efficient that tapes of the recently released ''Apollo 13'' were available the day after the movie's release in theaters. And tapes of the much-hyped ''Waterworld'', composed mainly of outtakes, was available before the movie's theatrical release.

The software industry is particularly affected, with sales of pirated software accounting for more than 40 percent of total revenues. Some analysts suggest that is more than the industry's total profits.

Perhaps most troubling, however, is the widespread threat counterfeiting poses to public health and safety. Automobile parts are commonly made of substandard material and pose serious risks to consumers. The San Francisco Chronicle reported that a counterfeit GM brake lining composed of wood chips was responsible for an accident that claimed the life of a mother and her child.

Media reports on the seizures in 16 States of a counterfeit version of the popular infant formula Similac underscore our vulnerability. This bogus formula could kill children who may be allergic to it.

Unfortunately, few Americans truly appreciate the significance, scope, or consequences of this crime. Only yesterday, Committee investigators purchased a fake Cartier watch and bogus Ray Ban sunglasses one block from the Capitol. It is hard to perceive the relationship between a cheap, fake watch or handbag and public health risks, money laundering, murder, and—if media reports are true—terrorism. But it is there.

Those who traffic in counterfeit goods can be ruthless members of dangerous businesses, and organized crime is increasingly involved. The leader of the ''Born to Kill'' crime gang in New York City made an estimated $13 million a year selling fake Cartier and Rolex watches. This revenue stream was probably useful in financing other nefarious business, as well as being profitable in itself. For the criminal, the lure of counterfeiting is not just the billions of dollars in illegal profit. It is the fact that the risk of being caught, prosecuted, and imprisoned is not high.

The time has come to make sure that the law provides the tools necessary to fight today's sophisticated counterfeiters. Our bill will do just that. It is called the ''Anticounterfeiting Consumer Protection Act of 1995.'' I like to call it the ''Knock-Out the Knock-Offs'' bill.

First, it increases criminal penalties by making trafficking in counterfeit goods or services a RICO offense, thereby providing for increased jail time, criminal fines, and asset forfeiture.

Second, our bill allows greater involvement by all Federal law enforcement in fighting counterfeiting, including enhanced authority to seize counterfeit goods and the tools of the counterfeiter's trade.

Third, it makes it more difficult for these goods to re-enter the stream of commerce once they have been seized.

Fourth, our bill also adds teeth to existing statutes by providing for further civil remedies, including civil fines pegged to the value of genuine goods and statutory damage awards of up to $1,000,000 per mark.

The time has come for us to send the message to the public that counterfeiting is a serious crime that involves domestic and international organized crime rings. It is a crime that robs all Americans. It is time to knock-out the knock-offs.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 1136

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 ''Anticounterfeiting Consumer Protection Act of 1995''.

SEC. 2. FINDINGS.

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to American consumers;

(4) eliminates American jobs; and

(5) is a multibillion-dollar drain on the United States economy.

SEC. 3. COUNTERFEITING AS RACKETEERING.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting '', section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)'' after ''sections 2314 and 2315 (relating to interstate transportation of stolen property),''.

SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.

Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting ''a computer program or computer program documentation or packaging or'' after ''copy of'';

(2) in subsection (b)(3), by inserting '''computer program,'" after '''motion picture,'"; and

(3) in subsection (c)(3), by inserting ''a copy of a computer program or computer program documentation or packaging,'' after ''enclose,''.

SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES.

Section 2320 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, on a district by district basis, for all actions involving trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18, an accounting of—

''(1) the number of open investigations;

''(2) the number of cases referred by the United States Customs Service;

''(3) the number of cases referred by other agencies or sources; and

''(4) the number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under section 2318, 2319, and 2320 of title 18.''.

SEC. 6. SEIZURE OF COUNTERFEIT GOODS.

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: ''The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.''.

SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

''(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in the amount of—

''(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

''(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.''.

SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking ''as the case may be;'' and all that follows through the end and inserting ''as the case may be.''.

SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK.

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting ''destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may'' after ''shall, after forfeiture,'';

(2) by inserting ''or'' at the end of paragraph (2);

(3) by striking '', or'' at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

SEC. 10. CIVIL PENALTIES.

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

''(f)(1) Any person who directs, assists financially or otherwise, or is in any way concerned in the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

''(2) For the first such seizure, the fine shall be equal to the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

''(3) For the second seizure and thereafter, the fine shall be equal to twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

''(4) The imposition of a fine under this subsection shall be within the discretion of the United States Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.''.

SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting ''vessel or aircraft'' before ''manifest'';

(2) by amending subparagraph (D) to read as follows:

''(D) The name of the vessel, aircraft, or carrier.'';

(3) by amending subparagraph (E) to read as follows:

''(E) The seaport or airport of loading.''; and

(4) by amending subparagraph (F) to read as follows:

''(F) The seaport or airport of discharge.''.

SEC. 12. CUSTOMS ENTRY DOCUMENTATION.

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking ''Entries'' and inserting ''(1) Entries''; and

(2) by adding at the end the following new paragraph:

''(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (60 Stat. 440, chapter 540; 15 U.S.C. 1124) or any other applicable law, including a trademark appearing on the goods or packaging.''.

SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(6)(A) A counterfeit label for a phonorecord, computer program or computer program documentation or packaging or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

''(B) a phonorecord or copy in violation of section 2319 of title 18; or

''(C) any good bearing a counterfeit mark (as defined in section 2320 of title 18).''.

SEC. 14. REGULATIONS.

Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to implement and enforce this Act.

ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995—SECTION-BY-SECTION ANALYSIS

The Anticounterfeiting Consumer Protection Act of 1995 proposes a number of statutory amendments to strengthen this country's anticounterfeiting laws in three important areas: criminal law enforcement, civil lawsuits, and Customs Service interdiction. A brief section-by-section analysis of the Act follows.

Section 1. Short title.—The proposed legislation is entitled the ''Anticounterfeiting Consumer Protection Act of 1995.''

Section 2. Findings.—Section 2 summarizes the significant harms associated with counterfeiting, including the link between counterfeiting and organized crime, the resulting losses in revenues and goodwill to U.S. copyright and trademark owners, the threat to consumer health and safety, the loss of American jobs, and the overall drain on the U.S. economy.

Section 3. Counterfeiting as racketeering.—Section 3 would make the following crimes ''predicate acts'' for purposes of the Racketeer Influenced and Corrupt Organizations Act (''RICO''), 18 U.S.C. §1961: (i) trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works, as defined in 18 U.S.C. §2318[1]; (ii) criminal infringement of a copyright in violation of 18 U.S.C. §2319; and (iii) trafficking in counterfeit goods or services, as defined in 18 U.S.C. §2320. This amendment to the RICO statute would allow law enforcement officials in appropriate cases to seize not only counterfeit goods, but also the nonmonetary assets, including both personal and real property (*e.g.*, raw materials, tools, equipment, and manufacturing or storage facilities), associated with the criminal counterfeiting enterprise, just as they now can do for a host of other criminal enterprises. *See* 18 U.S.C. §1963.

Section 4. Application to computer programs, computer program documentation, or packaging.—Section 4 would extend the criminal prohibitions and penalties of 18 U.S.C. §2318 to trafficking in counterfeit labels affixed or designed to be affixed to copies of a computer program or computer program documentation or packaging. This amendment would recognize and address the widespread counterfeiting of computer software and international trafficking in counterfeit labels, holograms and other computer software documentation and packaging. Moreover, the amendment would update existing criminal counterfeiting provisions directed at labels for phonorecords and videos

[1] Section 4 would amend 18 U.S.C. §2318 to prohibit trafficking in counterfeit labels affixed to copies of computer programs or computer program documentation or packaging.

to take into account the significant advancements in technology and thereby empower federal law enforcement agencies to combat the growing counterfeiting trade in computer programs.

Section 5. Trafficking in counterfeit goods or services.—Section 5 would amend 18 U.S.C. §2320, the statute govering trafficking in counterfeit goods or services, to require the Attorney General to obtain from all United States Attorney's Offices certain statistical information relating to all criminal counterfeiting actions involving (i) trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works; (ii) criminal infringement of copyrights; or (iii) trafficking in goods or services bearing counterfeit marks. The information must then be incorporated into the Attorney General's annual report to Congress mandated by Section 522 of Title 28. This reporting requirement will enable Congress and the American public to assess the extent to which commercial counterfeiting is being vigilantly investigated and prosecuted by our nation's U.S. Attorneys.

Section 6. Seizure of counterfeit goods.—Section 6 would amend 15 U.S.C. §1116 to make clear that, in addition to U.S. marshals and state and local law enforcement officers, *any* federal law enforcement officer may assist in conducting an *ex parte* seizure of counterfeit trademarked merchandise (including, by way of example, an officer or agent of the U.S. Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office). The present statute provides that seizures of counterfeit merchandise may be conducted by ''a United States marshal or other law enforcement officer.'' 15 U.S.C. §1116(d)(9). Clarification of this provision to include other federal law enforcement officers is necessary to ensure that *ex parte* seizure orders are executed in a timely manner. At present, significant delays often occur because the Marshal's Service often lacks the manpower to promptly conduct an *ex parte* seizure. Moreover, the language ''other law enforcement officer'' has been interpreted to mean only state and local police officers, who are not subject to federal judicial mandate and thus cannot be compelled to execute seizure orders granted under federal trademark law. The amendment would avoid this delay by expressly extending seizure authority to any other federal law enforcement officer.

Section 7. Recovery for violation of rights.—Section 7 would amend 15 U.S.C. §1117 to provide statutory damages as an alternative to actual damages in cases involving the use of counterfeit trademarks. The option to elect statutory damages in counterfeit cases ensures that trademark owners and adequately compensated and that counterfeiters are justly punished, even in cases where the plaintiff is unable to prove actual damages because, for example, the defendant engages in deceptive record-keeping. Section 7 provides that a plaintiff may elect, and a court may approve, statutory damages ranging from $500 to $100,000 per mark for each type of merchandise involved, or up to $1,000,000 per mark for each type of merchandise if the violation is willful.

Section 8. Disposition of excluded articles.—Section 8 would amend 17 U.S.C. §603(c) to eliminate the provision allowing the U.S. Customs Service to re-export piratical merchandise, thus ensuring that such goods are not allowed back into the global marketplace where they continue to violate the rights of American copyright owners and endanger American consumers.

Section 9. Disposition of merchandise bearing American trademark.—Section 9 would amend 19 U.S.C. §1526(e) to require the U.S. Customs Service to destroy all counterfeit merchandise that it seizes, unless the trademark owner consents to some other disposition of the merchandise and the merchandise is not a threat to consumer health or safety.

Section 10. Civil penalties.—Section 10 would add a new subsection to 19 U.S.C. §1526 authorizing the U.S. Customs Service to impose a civil fine on persons who are in any way involved in the importation of counterfeit goods for sale or public distribution. For first offenses, the fine would be equal to the market value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price. For repeat offenses, the fine would be double that value. The imposition of the fine would be subject to the discretion of the U.S. Customs Service, and would be in addition to any other civil or criminal penalty or other remedy authorized by law.

Section 11. Public disclosure of aircraft manifests.—Section 11 would amend section 431(c)(1) of the Tariff Act, 19 U.S.C. §1431(c)(1), to make clear that existing manifest disclosure requirements also extend to information found in aircraft manifests. Under existing regulations, the U.S. Customs Service discloses on a routine basis information relating to shipments by sea, but is not required to disclose information within its possession concerning shipments by air. As a result of this distinction between sea and air information, an entire category of shipping information is shielded from public scrutiny, making it much more difficult to detect and stop numerous counterfeiters and other infringers who ship their merchandise by air. In order to close this informational gap, this amendment would expressly extend these manifest disclosure requirements to aircraft manifests and thus require the Customs Service to amend its regulations accordingly.

Section 12. Customs entry documentation.—Section 12 would amend 19 U.S.C. §1484(d) to require the Secretary of the Treasury, in prescribing regulations governing customs entry documentation, to require importers to disclose on that documentation such information as may be necessary to determine whether the imported merchandise bears an infringing trademark, including, for example, any trademarks appearing on the goods or their packaging. Presently, importers have no obligation to disclose to the Customs Service the identity of any trademark appearing on imported merchandise. By requiring the disclosure of any such trademark or related information, this amendment would facilitate the identification of infringing goods by Customs officials and trademark owners and thus enhance border enforcement of intellectual property rights.

Section 13. Unlawful use of vessels, vehicles, and aircraft in aid of commercial counterfeiting.—Section 13 would amend the definition of ''contraband'' in 49 U.S.C. App. §781 to include (i) a counterfeit label for a phonorecord, computer program or computer program documentation or packaging or copy of a motion picture or other audiovisual work, as defined in 18 U.S.C. §2318; (ii) a phonorecord or copy in violation of 18 U.S.C. §2319; or (iii) goods bearing counterfeit marks, as defined in 18 U.S.C. §2320. This amendment would allow law enforcement officials to seize the vehicles used by counterfeiters in transporting counterfeit merchandise, just as they are currently allowed to do with respect to counterfeit currency and government securities.

Section 14. Regulations.—Section 14 would require the Secretary of the Treasury to prescribe, within six months after the date of enactment, such regulations or amendments to existing regulations as may be necessary to implement and enforce the provisions of the Act.

By Mr. THOMAS (for himself and Mr. BROWN):

S. 1137. A bill to amend title 17, United States Code, with respect to the licensing of music, and for other purposes; to the Committee on the Judiciary.

SMALL BUSINESS LEGISLATION

● Mr. THOMAS. Mr. President, I introduce legislation designed to help small business owners by exempting them from paying licensing fees for music copyrights relating to radios and televisions used in their establishments. This bill is common-sense approach which would level the playing field for business owners who currently are faced with having to pay huge fees for the incidental broadcast of music played in their business.

The issue of licensing fees for copywritten music is extremely complex. No one disputes the right of performers to be properly compensated for their music or compositions. However, the current law regarding music licensing causes confusion and hardship for many business owners in my State and across the country. Every year, thousands of business owners are charged fees by the performing rights societies for the television and radio programming they present in their establishments. Unfortunately, many times these fees are charged in a confusing or ambiguous manner, without any oversight or controls.

I have heard for folks across Wyoming and the Nation who have experienced trouble with the music licensing organizations. Often the fees charged by the organizations for playing radios or televisions vary greatly from year to year. In addition, businesses are often threatened with legal action or harassed for doing something they did not realize was against the law.

The legislation I am introducing today would exempt these small business operators from being charged fees for playing radios and televisions in their establishments. The bill is designed to address a unique problem these folks are experiencing. It clarifies the law so these individuals can operate their businesses without fear of costly litigation. It is also important to note this bill only deals with performances which are incidental to the main purpose of the establishment. Records, tapes jukeboxes or video recordings are not covered by my bill.

Finally, this legislation would also require the performing rights societies to offer radio broadcasters a per programming period license to perform nondramatic musical works in the repertoire of the performing rights society. Currently, many specialty radio broadcasters such as religious and classical stations are forced to purchase a blanket license for radio broadcasts although they only play a small portion of the repertoire of the performing rights society. My bill would solve this

problem and allow these broadcasters to pay for the copywritten music that is actually played, rather than a broad blanket fee which is unnecessary.

Mr. President, the bottom line is this legislation is designed to help small business owners solve a very difficult and confusing problem. This bill will help clarify the law and make it understandable for everyone across the Nation. The time has come to address this confusing issue and solve this problem for thousands of folks across the country.●

By Mr. GRASSLEY:

S. 1138. A bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes; to the Committee on Finance.

THE MEDICARE CONSUMER PROTECTION ACT OF 1995

● Mr. GRASSLEY. Mr. President, today I am introducing a bill which, if enacted, would correct a serious problem created by the Medicare anti-duplication provisions contained in the Social Security Act Amendments of 1994 (P.L. 103–432) and by subsequent interpretations of those provisions by the Health Care Financing Administration.

The genesis of this problem is to be found in provisions included in OBRA 1990. Those provisions were designed to prohibit the sale of Medicare Supplemental Insurance Policies [Medigap policies] to Medicare beneficiaries already covered by another Medigap policy. Even though those provisions were clearly designed to apply only to duplicative Medigap policies, they could be interpreted, and were interpreted by many, as prohibiting the sale of any other health insurance product that might duplicate benefits available under Medicare to Medicare beneficiaries.

The Social Security Act Amendments of 1994 contained provisions designed to clarify the intent of the OBRA 1990 provisions. unfortunately, the statute, and recent interpretations of it by the Health Care Financing Administration, have led to further confusion and potential disruption of the long term care insurance market as well as the market for other private, non-Medigap, health insurance sold to Medicare beneficiaries.

Rather than determine the extent of actual duplication, HCFA has arbitrarily deemed all private insurance to be duplicative without actual findings of Medicare duplication. A legislative correction is necessary because HCFA was fully aware of the legislative history and nevertheless issued a notice clearly in conflict with the legislative intent.

For private long term care policies, HCFA's interpretation implies that those which coordinate with Medicare are not permitted. Ironically, coordination of private long term care insurance with Medicare is consistent with an emerging national policy that duplicative coverages should be discouraged. Most of the health care reform bills that addressed long term care required such coordination. And almost all the congressional proposals that would clarify the tax treatment of long term care insurance have consistently required coordination with Medicare.

Under the 1994 amendments, hospital indemnity policies, or policies that pay benefits to policy holders upon the occurrence of a specific disease, may be sold to Medicare beneficiaries only if they contain a statement to the effect that they duplicate Medicare. However, such policies do not duplicate Medicare. State insurance commissioners have for years advised that consumers be told that such policies are not broad-based health insurance like Medicare or MediGap policies. That is, that they are not, by their very nature, a type of policy that duplicates Medicare. Furthermore, they pay a cash benefit when triggered by a specific event, such as hospitalization, or treatment for a particular disease, regardless of other coverage. Thus, the policy holder receives a direct cash payment even when the medical services received were paid by Medicare. The direct cash payment is not a payment for those medical services and may be used by the recipient for any purpose.

Any number of circumstances would lead an individual to desire such additional coverage. For instance, it is frequently the case that treatment of serious diseases generate other, out-of-pocket, expenses not covered by Medicare against which a Medicare beneficiary may wish to be protected. Or, an individual may lose wages due to hospitalization and wish to be protected against that loss.

Requiring confusing disclosure statements may discourage the sale of such policies to Medicare beneficiaries. This despite the fact that the beneficiary may be inclined to purchase such a policy, and despite the fact that the individual may clearly ultimately benefit from holding such a policy.

The bill I am introducing today to correct these problems follows a bill sponsored by Senators PACKWOOD and Bentsen (S. 2318) which passed the Senate but was vetoed as part of H.R. 11, the 1992 tax bill. And last year the Ways and Means Committee included in their version of the Health Security Act a similar ''safe harbor'' for policies that always pay benefits. My bill would:

Restore a ''safe harbor'' for those policies that always pay benefits regardless of other coverage; and

Provide a ''safe harbor'' for long term care and similar policies that coordinate benefits to prevent Medicare duplication.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

SUMMARY OF MEDICARE CONSUMER PROTECTION ACT OF 1995

1. Continues current Medigap rules.—Prohibits the sale of more than one Medigap policy (unless replacement). Continues current law provisions that also require signed statements from Medicare consumers before replacing Medigap policies.

2. Continues anti-duplication rules.—Prohibits ''duplication'' of Medicare benefits by private insurance. Continues current law provision intended to protect Medicare consumers from purchasing private insurance that duplicates Medicare.

3. Safeharbor for policies that always pay.—Continues the original 1980 safeharbor for policies that ''always pay'' (also follows the 1992 Bentsen-Packwood proposal, and the 1994 Rangel proposal to H.R. 3600). Permits the sale of private health insurance policies that pay benefits regardless of other coverage so Medicare consumers always receive benefits for premiums paid.

4. Safeharbor for LTC, home health, other policies.—Establishes a new safeharbor for long-term care, home-health, other similar policies that ''coordinate'' or offset with Medicare to prevent duplication (also requires ''notice'' in outline of coverage). Permits the sale of private health insurance policies covering benefits for only long-term care, nursing home, home health, community-based care, or a combination. Permits continuation of Robert Wood Johnson Partnership plans.

5. Clarifies confusing, wrong interpretation.—Removes misleading HCFA disclosure statements published in a June 12 ''notice'' that declares all private insurance to be ''duplicative'' of Medicare. The statements were established without factual findings of duplication and outside federal rulemaking requirements; will confuse beneficiaries over what really ''duplicates'' Medicare; will conflict with current state/NAIC disclosure rules that such policies do not supplement Medicare; and needlessly discourage choice and purchase of private health insurance supplements.

6. Clarifies Federal-State role.—Establishes duplication of Medicare as a federal issue. Provides federal penalties to be the exclusive remedy; provides exclusive federal interest in preventing Medicare duplication; and continues State regulation of all other matters relating to health insurance policies under current State law.

7. Clarifies effective date.—Establishes safeharbor (only for policies meeting standards) from legal action based on ''unsettled,'' unintended law prior to 1995 and after 1990 drafting ''error.'' This also: prevents frivolous lawsuits that will cost consumers and benefit only lawyers; and provides needed certainty in the marketplace due to misinterpretations of intent and law.●

By Mr. LOTT (for himself, Mr. STEVENS, Mrs. HUTCHISON, Ms. SNOWE, Mr. HOLLINGS, Mr. INOUYE, Mr. BREAUX, and Ms. MIKULSKI):

S. 1139. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE MARITIME REFORM AND SECURITY ACT OF 1995

Mr. LOTT. Mr. President, I am pleased to introduce the Maritime Reform and Security Act of 1995.

Maritime reform is vital to our Nation's national and economic security. From our beginning history, America has been a maritime nation reliant on secure ocean passage and transport for commerce and military strength.

From the sea battles of the American Revolution through the Persian Gulf,

our seafarers and merchant marine courageously supplied and sustained our troops in combat and conflict.

The U.S. flag fleet and merchant marine carried our troops and cargo through World War I, II, Korea, Vietnam, and the Persian Gulf.

In World War II, more than 6,000 merchant mariners were killed and thousands more were wounded.

After World War II, the Supreme Allied Commander, Dwight D. Eisenhower, declared:

The officers and men of the merchant marine, by their devotion to duty in the face of enemy action, as well as the material dangers of the sea, have brought to us the tools to finish the job. Their contribution to final victory will long be remembered.

Following the Persian Gulf, Chairman of the Joint Chiefs of Staff, Colin Powell, stated:

Since I became Chairman of the Joint Chiefs of Staff, I have to appreciate firsthand why our merchant marine has long been called the Nation's fourth arm of defense. The American seafarer provides an essential service to the well-being of the Nation, as was demonstrated so clearly during Operations Desert Shield and Desert Storm.

In relation to our Nation's economic security, Rear Adm. (Ret.) Tom Patterson recently wrote in the Journal of Commerce:

Throughout history, the Nation that ruled the seas controlled the world's economy. In their time, Egypt, Greece, Phoenicia, Carthage, and Rome, then Spain, Portugal, and Great Britain came and went as the leading naval and commercial powers. When they lost their maritime dominance, they quickly became second rate in terms of economic success and political influence.

The United States is in grave danger of going down that same road if it has not done so already. Our perceived economic decline in recent years has been accompanied by an almost suicidal approach to our maritime policy—and specifically to the future of merchant shipping under the American flag . . .

Over the last 20 years, Congress has failed to pass an effective maritime policy. As a result, we have seen a dangerous decline of the U.S. flag fleet, merchant marine, and shipbuilding.

Now, we face a situation where if we fail to act in this Congress, our national security and international competitiveness will be seriously and irreversibly harmed.

We could easily lose our U.S.-flag fleet and with it our merchant marine.

If that occurs, our military readiness and our sealift capacity will be dealt a blow.

Numerous jobs would be lost related to the maritime industry and our balance of payments and international competitiveness will suffer.

In times of international crisis or war, our historical and successful reliance on the U.S. Flag Fleet and merchant marine would come to an end.

Personally, I do not want to be a part of that. We have a sobering opportunity to do something about it. In introducing this legislation, I believe that this Congress and this administration will successfully enact maritime reform legislation.

Secretary Peña, on behalf of the administration, early this year introduced the Maritime Security Act of 1995. He continues to advocate and express the high priority that the administration places on maritime reform.

The House National Security Committee has already reported out, H.R. 1350, The Maritime Security Act of 1995.

I look forward to working with the Members of the Senate, the House, the administration as well as the carriers, shipbuilders, and labor in working to enact maritime reform in this Congress.

As I introduce this legislation, I would like to state as simply as possible what my objectives are.

I want to maintain and promote a U.S. flag fleet, built in U.S. shipyards and manned by U.S. crews in the most cost effective and flexible manner possible.

When I go home to Pascagoula, I want to see the greatest amount possible of Mississippi agricultural products—rice, cotton, soybeans, catfish, chicken and forest products and other exports moving on U.S.-flagged ships built in America.

In times of national emergency or war, I want to know that we will continue the finest tradition of the U.S. flag fleet and merchant marine—secure in the knowledge that our sealift capability is assured and confident that our troops will be supplied.

The Maritime Reform and Security Act of 1995 will help achieve these objectives by establishing a new maritime security program. The bill terminates the previous program, reducing costs by 50 percent. In its place, a more efficient and flexible program will continue the successful private commercial partnership with the Departments of Transportation and Defense. A partnership which will help promote and preserve a modern U.S. flag fleet and merchant marine and one that will serve our national security in time of war or emergency.

To promote our Nation's underlying shipbuilding infrastructure and capacity, this legislation reforms the title XI loan guarantee program. A program which effectively stimulates U.S. shipbuilding, competitiveness, and jobs.

This maritime reform legislation will promote our Nation's national and economic security. I thank my colleagues who have joined as cosponsors and look forward to working with the full Senate on this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1139

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 ''Maritime Reform and Security Act of 1995''.

TITLE I—MARITIME SECURITY

SEC. 101. MARITIME SECURITY PROGRAM.

Title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1171 et seq.) is amended—

(1) by striking the title heading and inserting the following:

''TITLE VI—VESSEL OPERATING ASSISTANCE PROGRAMS

''Subtitle A—Operating-Differential Subsidy Program'';

and

(2) by adding at the end the following new subtitle:

''Subtitle B—Maritime Security Fleet Program

''ESTABLISHMENT OF FLEET

''SEC. 651. (a) IN GENERAL.—The Secretary of Transportation shall establish a fleet of active, militarily useful, privately-owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-flag vessels for which there are in effect operating agreements under this subtitle, and shall be known as the Maritime Security Fleet.

''(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if the vessel is self-propelled and—

''(1)(A) is operated by a person in that person's capacity as an ocean common carrier (as that term is used in the Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.));

''(B) whether in commercial service, on charter to the Department of Defense, or in other employment, is either—

''(i) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units; or

''(ii) a LASH vessel with a barge capacity of at least 75 barges; or

''(C) any other type of vessel that is determined by the Secretary to be suitable for use by the United States for national defense or military purposes in time of war or national emergency;

''(2)(A)(i) is a United States-documented vessel; and

''(ii) on the date an operating agreement covering the vessel is first entered into under this subtitle, is—

''(I) a LASH vessel that is 25 years of age or less; or

''(II) any other type of vessel that is 15 years of age or less;

except that the Secretary of Transportation may waive the application of clause (ii) if the Secretary, in consultation with the Secretary of Defense, determines that the waiver is in the national interest; or

''(B) it is not a United States-documented vessel, but the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of title 46, United States Code, if it is included in the Fleet, and the vessel will be less than 10 years of age on the date of that documentation; and

''(3) the Secretary of Transportation determines that the vessel is necessary to maintain a United States presence in international commercial shipping or, after consultation with the Secretary of Defense, determines that the vessel is militarily useful for meeting the sealift needs of the United States with respect to national emergencies.

''OPERATING AGREEMENTS

''SEC. 652. (a) IN GENERAL.—The Secretary of Transportation shall require, as a condition of including any vessel in the Fleet, that the owner or operator of the vessel enter into an operating agreement with the Secretary under this section. Notwithstanding subsection (g), the Secretary may enter into an operating agreement for, among

other vessels that are eligible to be included in the Fleet, any vessel which continues to operate under an operating-differential subsidy contract under subtitle A or which is under charter to the Department of Defense.

''(b) REQUIREMENTS FOR OPERATION.—An operating agreement under this section shall require that, during the period a vessel is included in the agreement—

''(1) the vessel—

''(A) shall be operated exclusively in the foreign trade or in mixed foreign and domestic trade allowed under a registry endorsement issued under section 12105 of title 46, United States Code, and

''(B) shall not otherwise be operated in the coastwise trade; and

''(2) the vessel shall be documented under chapter 121 of title 46, United States Code.

''(c) REGULATORY RELIEF.—A contractor of a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction, and shall not be subject to any requirement under section 801, 808, 809, or 810 of this Act. Participation in the program established by this subtitle shall not subject a contractor to section 805 or to any provision of subtitle A of title VI of this Act.

''(d) EFFECTIVENESS AND ANNUAL PAYMENT REQUIREMENTS OF OPERATING AGREEMENTS.—

''(1) EFFECTIVENESS.—The Secretary of Transportation may enter into an operating agreement under this subtitle for fiscal year 1996. The agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations or amounts otherwise made available, for each subsequent fiscal year through the end of fiscal year 2005. The Secretary shall renew an operating agreement under this subtitle if sufficient amounts are appropriated or otherwise made available to fund that agreement.

''(2) ANNUAL PAYMENT.—An operating agreement under this subtitle shall require, subject to the availability of appropriations and the other provisions of this section, that the Secretary of Transportation pay each fiscal year to the contractor, for each vessel that is covered by the operating agreement, an amount equal to $2,300,000 for fiscal year 1996 and $2,100,000 for each fiscal year thereafter in which the agreement is in effect. The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

''(e) CERTIFICATION REQUIRED FOR PAYMENT.—As a condition of receiving payment under this section for a fiscal year for a vessel, the owner or operator of the vessel shall certify, in accordance with regulations issued by the Secretary of Transportation, that the vessel has been and will be operated in accordance with subsection (b)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

''(f) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this subtitle constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

''(g) LIMITATIONS.—The Secretary of Transportation shall not make any payment under this subtitle for a vessel with respect to any days for which the vessel is—

''(1) subject to an operating-differential subsidy contract under subtitle A or under a charter to the United States Government, other than a charter pursuant to section 653;

''(2) not operated or maintained in accordance with an operating agreement under this subtitle; or

''(3) more than 25 years of age, except that the Secretary may make such payments for a LASH vessel for any day for which the vessel is more than 25 years of age if that vessel—

''(A) is modernized after January 1, 1994,

''(B) is modernized before it is 25 years of age, and

''(C) is not more than 30 years of age.

''(h) PAYMENTS.—With respect to payments under this subtitle for a vessel included in an operating agreement, the Secretary of Transportation—

''(1) except as provided in paragraph (2), shall not reduce any payment for the operation of a vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), section 901(a), 901(b), or 901b of this Act, or any other cargo preference law of the United States;

''(2) shall not make any payment for any day that a vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b that is bulk cargo; and

''(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that a vessel covered by an operating agreement is not operated in accordance with subsection (b)(1), with days during which the vessel is drydocked or under-going survey, inspection, or repair considered to be days on which the vessel is operated.

''(i) PRIORITY FOR AWARDING AGREEMENTS.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

''(1) VESSELS OWNED BY CITIZENS.—

''(A) PRIORITY.—First, for any vessel that is—

''(i) owned and operated by persons who are citizens of the United States under section 2 of the Shipping Act, 1916; or

''(ii) less than 10 years of age and owned and operated by a corporation that is—

''(I) eligible to document a vessel under chapter 121 of title 46, United States Code; and

''(II) affiliated with a corporation operating or managing for the Secretary of Defense other vessels documented under the chapter, or chartering other vessels to the Secretary of Defense.

''(B) LIMITATION OF NUMBER OF OPERATING AGREEMENTS.—The number of vessels for which operating agreements may be entered into by the Secretary under the priority in subparagraph (A)—

''(i) for vessels described in subparagraph (A)(i), may not, for a person, exceed the sum of—

''(I) the number of United States-documented vessels the person operated in the trade described by subsection (b)(1)(A) of this section on May 17, 1995; and

''(II) the number of United States-documented vessels the person chartered to the Secretary of Defense on that date; and

''(ii) for vessels described in subparagraph (A)(ii), may not exceed 5 vessels.

''(C) TREATMENT OF RELATED PARTIES.—For purposes of subparagraph (B), a related party with respect to a person shall be treated as the person.

''(2) OTHER VESSELS OWNED BY CITIZENS AND GOVERNMENT CONTRACTORS.—To the extent that amounts are available after applying paragraph (1), any vessel that is owned and operated by a person who is—

''(A) a citizen of the United States under section 2 of the Shipping Act, 1916, that has not been awarded an operating agreement under the priority established under paragraph (1); or

''(B)(i) eligible to document a vessel under chapter 121 of title 46, United States Code; and

''(ii) affiliated with a corporation operating or managing other United States-documented vessels for the Secretary of Defense or chartering other vessels to the Secretary of Defense.

''(3) OTHER VESSELS.—To the extent that amounts are available after applying paragraphs (1) and (2), any other eligible vessel.

''(j) TRANSFER OF OPERATING AGREEMENTS.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person eligible to enter into that operating agreement under this subtitle after notification of the Secretary, unless the transfer is disapproved by the Secretary within 90 days that the date of that notification. A person to whom an operating agreement is transferred may receive payments from the Secretary under the agreement only if each vessel to be included in the agreement after the transfer is an eligible vessel under section 651(b).

''(k) REVERSION OF UNUSED AUTHORITY.—The obligation of the Secretary to make payments under an operating agreement under this subtitle shall terminate with respect to a vessel if the contractor fails to engage in operation of the vessel for which such payment is required—

''(1) within one year after the effective date of the operating agreement, in the case of a vessel in existence on the effective date of the agreement, or

''(2) within 30 months after the effective date of the operating agreement, in the case of a vessel to be constructed after that effective date.

''(l) PROCEDURE FOR CONSIDERING APPLICATION; EFFECTIVE DATE FOR CERTAIN VESSELS.—

''(1) PROCEDURES.—No later than 30 days after the date of enactment of the Maritime Reform and Security Act of 1995, the Secretary shall accept applications for enrollment of vessels in the Fleet and, within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall enter into an operating agreement with the applicant or provide in writing the reason for denial of that application.

''(2) EFFECTIVE DATE.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel which is, on the date of entry into an operating agreement, either subject to a contract under subtitle A or on charter to the United States Government, other than a charter under section 653, shall be the expiration or termination date of the contract under subtitle A or of the Government charter covering the vessel, respectively, or any earlier date the vessel is withdrawn from that contract or charter.

''(m) EARLY TERMINATION.—An operating agreement under this subtitle shall terminate on a date specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement. Vessels included in an operating agreement terminated under this subsection shall remain documented under chapter 121 of title 46, United States Code, until the date the operating agreement would have terminated according to its terms. A contractor who terminates an operating agreement pursuant to this subsection shall continue to be bound by the provisions of section 653 until the date the operating agreement would have terminated according to its terms. All terms and conditions of an Emergency Preparedness Agreement entered into under section 653 shall remain in effect until the date the operating agreement would have terminated according to its terms, except that the terms of such Emergency Preparedness Agreement

may be modified by the mutual consent of the contractor and the Secretary of Transportation, in consultation with the Secretary of Defense.

''(n) TERMINATION FOR LACK OF FUNDS.—If, by the first day of a fiscal year, insufficient funds have been appropriated under the authority provided by section 655 for that fiscal year, the Secretary of Transportation shall notify the Congress that operating agreements authorized under this subtitle for which insufficient funds are available will be terminated on the 60th day of that fiscal year if sufficient funds are not appropriated or otherwise made available by that date. If funds are not appropriated under the authority provided by section 655 or otherwise made available for any fiscal year by the 60th day of that fiscal year, then each vessel included in an operating agreement under this subtitle for which funds are not available is thereby released from any further obligation under the operating agreement, the operating agreement shall terminate, and the vessel owner or operator may transfer and register such vessel under a foreign registry deemed acceptable by the Secretary of Transportation, notwithstanding any other provision of law. If section 902 is applicable to such vessel after registry under such a registry, the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902.

''(o) AWARD OF OPERATING AGREEMENTS.—

''(1) IN GENERAL.—The Secretary of Transportation, subject to paragraph (4), shall award operating agreements within each priority under subsection (i)(1), (2), and (3) under such regulations as may be prescribed by the Secretary, but the failure to promulgate such regulations shall not provide a basis for denial of an application for enrollment of a vessel in the Fleet.

''(2) NUMBER OF AGREEMENTS AWARDED.—Regulations under paragraph (1) shall provide that if appropriated amounts are not sufficient for operating agreements for eligible vessels within a priority under subsection (i)(1), (2), or (3), the Secretary shall award to each person, with respect to eligible vessels within such priority for which such person has submitted an application for an operating agreement, a number of operating agreements that bears approximately the same ratio to the total number of eligible vessels in the priority for which timely applications have been made as the amount of appropriations available for operating agreements for eligible vessels in the priority bears to the amount of appropriations necessary for operating agreements for all eligible vessels in the priority.

''(3) TREATMENT OF RELATED PARTIES.—For purposes of paragraph (2), a related party with respect to a person shall be treated as the person.

''(4) PREFERENCE FOR U.S.-BUILT VESSELS.—In awarding operating agreements for vessels within a priority under subsection (i) (1), (2), or (3), the Secretary shall give preference to a vessel that was constructed in the United States, to the extent such preference is consistent with establishment of a fleet described in the first sentence of section 651(a) (taking into account the age of the vessel, the nature of services provided by the vessel, and the commercial viability of the vessel).

''(p) NOTICE TO U.S. SHIPBUILDERS REQUIRED.—The Secretary shall include in any operating agreement under this subtitle a requirement that the contractor under the agreement shall, by not later than 30 days after soliciting any bid or offer for the construction of any vessel in a foreign shipyard and before entering into a contract for construction of a vessel in a foreign shipyard, provide notice of the intent of the contractor to enter into such a contract to the Secretary of Transportation. The Secretary shall, by appropriate means, inform shipyards in the United States capable of constructing the vessel of such notice.

''NATIONAL SECURITY REQUIREMENTS

''SEC. 653. (a) EMERGENCY PREPAREDNESS AGREEMENT.—

''(1) REQUIREMENT TO ENTER AGREEMENT.—The Secretary of Transportation shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary of Transportation shall include in each operating agreement under this subtitle a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this subtitle.

''(2) TERMS OF AGREEMENT.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, an owner or operator of a vessel included in an operating agreement under this subtitle shall make available commercial transportation resources (including services). The basic terms of the Emergency Preparedness Agreement shall be established pursuant to consultations among the Secretary, the Secretary of Defense, and Maritime Security Program contractors. In any Emergency Preparedness Agreement, the Secretary of Transportation, in consultation with the Secretary of Defense, and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances.

''(b) RESOURCES MADE AVAILABLE.—The commercial transportation resources, including services, to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, inter modal and management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary may determine to be necessary, seeking to minimize disruption of the contractor's service to commercial shippers.

''(c) COMPENSATION.—

''(1) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall provide in each Emergency Preparedness Agreement for fair and reasonable compensation for all commercial transportation resources, including services, provided pursuant to this section.

''(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

''(A) shall not be less than the contractor's commercial market charges for like transportation resources, including services;

''(B) shall include all the contractor's costs associated with provision and use of the contractor's commercial resources, including services to meet emergency requirements;

''(C) in the case of a charter of an entire vessel, shall be fair and reasonable;

''(D) shall be in addition to and shall not in any way reflect amounts payable under section 652; and

''(E) shall be provided from the time that a vessel or resource is diverted from commercial service until the time that it reenters commercial service.

''(d) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding any other provision of this subtitle or of other law to the contrary—

''(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity, as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated under an Emergency Preparedness Agreement; and

''(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of title 10 United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), and sections 901(a), 901(b), and 901b of this Act to the same extent as the eligibility of the vessel or vessel capacity replaced.

''(3) REDELIVERY AND LIABILITY OF U.S. FOR DAMAGES.—

''(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Government shall fully compensate the contractor for any necessary repair or replacement.

''(2) LIMITATION ON LIABILITY OF UNITED STATES.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor's commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources, including services, under an Emergency Preparedness Agreement.

''(3) LIMITATION ON APPLICATION OF OTHER REQUIREMENTS.—Sections 902 and 909 of this Act shall not apply to a vessel while it is included in an Emergency Preparedness Agreement under this subtitle. Any Emergency Preparedness Agreement entered into by a contractor shall supersede any other agreement between that contractor and the Government for vessel availability in time of war or national emergency.

''DEFINITIONS

''SEC. 654. In this subtitle:

''(1) FLEET.—The term 'Fleet' means the Maritime Security Fleet established pursuant to section 651(a).

''(2) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

''(3) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of title 46, United States Code.

''(4) BULK CARGO.—The term 'bulk cargo' means cargo that is loaded and carried in bulk without mark or count.

''(5) CONTRACTOR.—The term 'contractor' means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary of Transportation under section 652.

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 655. There are authorized to be appropriated for operating agreements under this subtitle, to remain available until expended, $100,000,000 for fiscal year 1996 and such sums as may be necessary, not to exceed $100,000,000, for each fiscal year thereafter through fiscal year 2005.''.

SEC. 102. TERMINATION OF OPERATING-DIFFERENTIAL SUBSIDY PROGRAM.

(a) LIMITATION ON PAYMENTS FOR OLDER VESSELS.—Section 605(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1175(b)), is amended to read as follows:

''(b) No operating-differential subsidy shall be paid for the operation of a vessel after the calendar year the vessel becomes 25 years of age, unless the Secretary of Transportation has determined, before the date of enactment of the Maritime Reform and Security Act of 1995, that it is in the public interest to grant such financial aid for the operation of such vessel.''.

(b) WIND-UP OF PROGRAM.—Subtitle A of such Act (46 U.S.C. App. 1171 et seq.), as designated by the amendment made by section 2(1), is further amended by adding at the end the following new section:

''SEC. 616. (a) After the date of enactment of the Maritime Reform and Security Act of 1995, the Secretary of Transportation shall not enter into any new contract for operating-differential subsidy under this subtitle.

''(b) Notwithstanding any other provision of this Act, any operating-differential subsidy contract in effect under this title on the day before the date of enactment of the Maritime Reform and Security Act of 1995 shall continue in effect and terminate as set forth in the contract, unless voluntarily terminated at an earlier date by the parties (other than the United States Government) to the contract.

''(c) The essential service requirements of section 601(a) and 603(b), and the provisions of sections 605(c) and 809(a), shall not apply to the operating-differential subsidy program under this subtitle effective upon the earlier of—

''(1) the date that a payment is made, under the Maritime Security Program established by subtitle B to a contractor under that subtitle who is not party to an operating-differential subsidy contract under this subtitle, with the Secretary to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

''(2) with respect to a particular contractor under the operating-differential subsidy program, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B.

''(d)(1) Notwithstanding any other provision of law, a vessel may be transferred and registered under a foreign registry deemed acceptable by the Secretary of Transportation if—

''(A) the operator of the vessel receives an operating-differential subsidy pursuant to a contract under this subtitle which is in force on October 1, 1994, and the Secretary approves the replacement of such vessel with a comparable vessel, or

''(B) the vessel is included in an operating agreement under subtitle B, and the Secretary approves the replacement of such vessel with a comparable vessel for inclusion in the Maritime Security Fleet established under subtitle B.

''(2) Any such vessel may be requisitioned by the Secretary of Transportation pursuant to section 902.''.

SEC. 103. NONCONTIGUOUS DOMESTIC TRADES.

(a)(1) Except as otherwise provided in this section, no contractor or related party shall receive payments pursuant to this subtitle during a period when it participates in a noncontiguous domestic trade, except upon written permission of the Secretary of Transportation. Such written permission shall also be required for any material change in the number or frequency of sailings, the capacity offered, or the domestic ports called by a contractor or related party in a noncontiguous domestic trade. The Secretary may grant such written permission pursuant to written application of such contractor or related party unless the Secretary finds that—

(A) existing service in that trade is adequate; or

(B) the service sought to be provided by the contractor or related party—

(i) would result in unfair competition to any other person operating vessels in such non-contiguous domestic trade, or

(ii) would be contrary to the objects and policy of this Act.

(2) For purposes of this subsection, ''written permission of the Secretary'' means permission which states the capacity offered, the number and frequency of sailings, and the domestic ports called, and which is granted following—

(A) written application containing the information required by paragraph (e)(1) by a person seeking such written permission, notice of which application shall be published in the Federal Register within 15 days of filing of such application with the Secretary;

(B) holding of a hearing on the application under section 554 of title 5, United States Code, in which every person, firm or corporation having any interest in the application shall be permitted to intervene and be heard; and

(C) final decision on the application by the Secretary within 120 days following conclusion of such hearing.

(b) Subsection (a) shall not apply in any way to provision by a contractor of service within the level of service provided by that contractor as of the date established by subsection (c) or to provision of service permitted by subsection (d).

(c) The date referred to in subsection (b) shall be August 9, 1995, provided, however, that with respect to tug and barge service to Alaska the date referred to in subsection (b) shall be July 1, 1992.

(d) A contractor may provide service in a trade in addition to the level of service provided as of the applicable date establish by subsection (c) in proportion to the annual increase in real gross product of the noncontiguous State or Commonwealth served since the applicable date established by subsection (c).

(e)(1) A person applying for award of an agreement under this subtitle shall include with the application a description of the level of service provided by that person in each noncontiguous domestic trade served as of the date applicable under subsection (c). The application also shall include, for each such noncontiguous domestic trade: a list of vessels operated by that person in such trade, their container carrying capacity expressed in twenty-foot equivalent units (TEUs) or other carrying capacity, the itinerary for each such vessel, and such other information as the Secretary may require by regulation Such description and information shall be made available to the public. Within 15 days of the date of an application for an agreement by a person seeking to provide service pursuant to subsection (b) and (c) of this section, the Secretary shall cause to be published in the Federal Register notice of such description, along with a request for public comment thereon. Comments on such description shall be submitted to the Secretary within 30 days of publication in the Federal Register. Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting use of the applicant's description to establish the level of service provided as of the date applicable under subsection (e), provided that notwithstanding the provisions of this subsection, processing of the application for an award of an agreement shall not be suspended or delayed during the time in which comments may be submitted with respect to the determination or during the time prior to issuance by the Secretary of the required determination, and provided further, that if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the description of the level of service provided by the applicant shall be deemed to be the level of service provided as of the applicable date until such time as the Secretary makes the determination.

(2) No contractor shall implement the authority granted in subsection (d) of this section except as follows—

(A) An application shall be filed with the Secretary which shall state the increase in capacity sought to be offered, a description of the means by which such additional capacity would be provided, the basis for applicant's position that such increase in capacity would be in proportion to or less than the increase in real gross product of the relevant noncontiguous State or Commonwealth since the applicable date established by subsection (c), and such information as the Secretary may require so that the Secretary may accurately determine such increase in real gross product of the relevant noncontiguous State or Commonwealth.

(B) Such increase in capacity sought by applicant and such information shall be made available to the public.

(C) Within 15 days of the date of an application pursuant to this paragraph the Secretary shall cause to be published in the Federal Register notice of such application, along with a request for public comment thereon.

(D) Comments on such application shall be submitted to the Secretary within 30 days of population in the Federal Register.

(E) Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting, the increase in capacity sought by the applicant as being in proportion to or less than the increase in real gross product of the relevant non-contiguous State or Commonwealth since the applicable date established by subsection (c), provided that, notwithstanding the provisions of this section, if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the increase in capacity sought by applicant shall be permitted as being in proportion to or less than such increase in real gross product until such time as the Secretary makes the determination.

(f) With respect to provision by a contractor of service in a noncontiguous domestic trade not authorized by this section, the Secretary shall deny payments under the operating agreement with respect to the period of provision of such service but shall deny payments only in part if the extent of provision of such unauthorized service was de minimis or not material.

(g) Notwithstanding any other provision of this subtitle, the Secretary may issue temporary permission for any United States citizen, as that term is defined in section 2 of the Shipping Act, 1916, to provide service to a noncontiguous State or Commonwealth upon the request of the Governor of such noncontiguous State or Commonwealth, in circumstances where an Act of God, a declaration of war or national emergency, or any other condition occurs that prevents ocean transportation service to such noncontiguous State or Commonwealth from being provided by persons currently providing such service. Such temporary permission shall expire 90 days from date of grant, unless extended by the Secretary upon written request for the Governor of such State or Commonwealth.

(h) As used in this section:

(1) ''level of service provided by a contractor'' in a trade as of a date means—

(A) with respect to service other than service described in (B), the total annual capacity provided by the contractor in that trade for the 12 calendar months preceding that date, provided that, with respect to unscheduled, contract carrier tug and barge service between points in Alaska south of the Arctic Circle and points in the contiguous 48 States, the level of service provided by a contractor

shall include 100 percent of the capacity of the equipment dedicated to such service on the date specified in subsection (c) and actually utilized in that service in the two-year period preceding that date, excluding service to points between Anchorage, Alaska and Whittier, Alaska served by common carrier service unless such scheduled service is only for carriage of oil or pursuant to a contract with the United States military, and provided further that, with respect to scheduled barge service between the contiguous 48 states and Puerto Rico, such total annual capacity shall be deemed as such total annual capacity plus the annual capacity of two additional barges, each capable of carrying 185 trailers and 100 automobiles; and

(B) With respect to service provided by container vessels, the overall capacity equal to the sum of—

(i) 100 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate solely in that noncontiguous domestic trade; and

(ii) 75 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate in that noncontiguous domestic trade and in another trade, provided that the term does not include any restriction on frequency, or number of sailings, or on ports called within such overall capacity.

(2) The level of service set forth in paragraph (1) shall be described with the specificity required by subsection (e)(1) and shall be the level of service in a trade with respect to the applicable date established by subsection (c) only if the service is not abandoned thereafter, except for interruptions due to military contingency or other events beyond the contractor's control.

(3) ''Participates in a noncontiguous domestic trade'' means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 states and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

(4) ''Related party'' means—

(A) a holding company, subsidiary, affiliate, or associate of a contractor who is a party to an operating agreement under subtitle A of title VI of the Merchant Marine Act, 1936; and

(B) an officer, director, agent, or other executive of a contractor or of a person referred to in subparagraph (A).

TITLE II—OPERATING FLEXIBILITY AND REGULATORY RELIEF

SEC. 201. OPERATIONAL FLEXIBILITY.

(a) IN GENERAL.—Section 804 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1222) is amended by adding at the end the following new subsection:

''(f) The provisions of subsection (a) shall not preclude a contractor receiving assistance under subtitle A or B of title VI, or any holding company, subsidiary, or affiliate of the contractor, or any officer, director, agent, or executive thereof, from—

''(1) owning, chartering, or operating any foreign-flag vessel on a voyage or a segment of a voyage that does not call at a port in the United States;

''(2) owning, chartering, or operating any foreign-flag vessel in line haul service between the United States and foreign ports if—

''(A) the foreign-flag vessel was owned, chartered, or operated by, or is a replacement for a foreign-flag vessel owned, chartered, or operated by, such owner or operator, or any holding company, subsidiary, affiliate, or associate of such owner or operator, on the date of enactment of the Maritime Reform and Security Act of 1995;

''(B) the owner or operator, with respect to each additional foreign-flag vessel, other than a time chartered vessel, has first applied to have that vessel included in an operating agreement under subtitle B of title VI, and the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the filing of the application; or

''(C) the vessel has been placed under foreign documentation pursuant to section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) or section 616(d) or 652(n) of this Act, except that any foreign-flag vessel, other than a time chartered vessel, a replacement vessel under section 653(d), or a vessel owned, chartered, or operated by the owner or operator on the date of enactment of the Maritime Reform and Security Act of 1995, in line haul service between the United States and foreign ports is registered under the flag of a foreign registry deemed appropriate by the Secretary of Transportation, and available to be requisitioned by the Secretary of Transportation pursuant to section 902 of this Act;

''(3) owning, chartering, or operating foreign-flag bulk cargo vessels that are operated in foreign-to-foreign service or the foreign commerce of the United States;

''(4) chartering or operating foreign-flag vessels that are operated solely as replacement vessels for United States-flag vessels or vessel capacity that are made available to the Secretary of Defense pursuant to section 653 of this Act; or

''(5) entering into time or space charter or other cooperative agreements with respect to foreign-flag vessels or acting as agent or broker for a foreign-flag vessel or vessels.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to a contractor under subtitle B of title VI of the Merchant Marine Act, 1936, as amended by this Act, upon enactment of this Act, and shall apply to a contractor under subtitle A of title VI of that Act, upon the earlier of—

(1) the date that a payment is made, under the Maritime Security Program under subtitle B of that title to a contractor under subtitle B of that title who is not party to an operating-differential subsidy contract under subtitle A of that title, with the Secretary of Transportation to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

(2) with respect to a particular contractor under the operating-differential subsidy program under subtitle A of that title, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B of that title.

SEC. 202. REGISTRATION REFORM.

Section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) is amended by adding at the end the following:

''(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

''(1)(A) the Secretary determines that at least one replacement vessel of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code, by the owner of the vessel placed under the foreign registry; and

''(B) the replacement vessel is not more than 10 years of age on the date of that documentation;

''(2)(A) an application for an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 has been filed with respect to a vessel which is eligible to be included in the Maritime Security Fleet under section 651(b)(1) of that Act; and

''(B) the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the date of that application;

''(3) a contract covering the vessel under subtitle A of title VI of the Merchant Marine Act, 1936 has expired, and that vessel is more than 15 years of age on the date the contract expires; or

''(4) an operating agreement covering the vessel under subpart B of title VI of the Merchant Marine Act, 1936 has not been renewed.''.

SEC. 203. RESTRICTION REMOVAL.

Title V of the Merchant Marine Act, 1936 (46 U.S.C. App. 1151 et seq.) is amended by adding at the end the following new section:

''SEC. 512. LIMITATION ON RESTRICTIONS.

''Notwithstanding any other provision of law or contract, all restrictions and requirements under sections 503, 506, and 802 applicable to a liner vessel constructed, reconstructed, or reconditioned with the aid of construction-differential subsidy shall terminate upon the expiration of the 25-year period beginning on the date of the original delivery of the vessel from the shipyard.''.

SEC. 204. VESSEL STANDARDS.

(a) A liner vessel which is not documented under chapter 121 of title 46, United States Code, on the date of enactment of this Act and which the Secretary of Transportation determines to meet the criteria of section 651(b) of the Merchant Marine Act, 1936, shall be eligible for a certificate of inspection if it is eligible under chapter 121 of title 46, United States Code, to be documented as a United States-flag vessel after the Secretary determines that—

(1) the vessel is classed by and designed in accordance with the rules of the American Bureau of Shipping or other classification society accepted by the Secretary; and

(2) the vessel complies with applicable international agreements and associated guidelines, as determined by the requirements of the country in which the vessel was registered prior to documentation in the United States if, at the time the Secretary makes those determinations, that country has not been identified by the Secretary as inadequately enforcing international vessel regulations.

(b) A vessel documented as a United States-flag vessel under this section continues to be eligible for a certificate of inspection by complying with the applicable international agreements and associated guidelines.

(c) The Secretary may rely upon a certification from the American Bureau of Shipping or other classification society accepted by the Secretary to establish that a vessel is in compliance with the requirements of subsection (a) and (b).

(d) As used in this section, ''liner vessel'' means a cargo carrying vessel which is not a tank vessel and which is either a roll-on/roll-off vessel, a containership, a LASH vessel, or a vessel which is operated in ocean common carriage within the meaning of the Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.), or if not employed in such service, determined by the Secretary to be capable of employment in such service.

TITLE III—LOAN GUARANTEES AND SHIP REPAIR

SEC. 301 TITLE XI LOAN GUARANTEES.

Title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) is amended—

(1) in section 1101(b), by striking ''owned by citizens of the United States'';

(2) in section 1104B(a), in the material preceding paragraph (1), by striking ''owned by citizens of the United States''; and

(3) in section 1110(a), by striking ''owned by citizens of the United States''.

SEC. 302. VESSEL LOAN GUARANTEE PROGRAM.

(a) RISK FACTOR DETERMINATIONS.—Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended by adding at the end the following new subsection:

''(h)(1) The Secretary shall—

''(A) establish in accordance with this subsection a system of risk categories for obligations guaranteed under this title, that categorizes the relative risk of guarantees made under this title with respect to the risk factors set forth in paragraph (3); and

''(B) determine for each of the risk categories a subsidy rate equivalent to the average annual cost of obligations in the category, expressed as a percentage of the average annual aggregate amount guaranteed under this title for obligations in the category.

''(2)(A) Before making a guarantee under this section for an obligation, the Secretary shall apply the risk factors set forth in paragraph (3) to place the obligation in a risk category established under paragraph (1)(A).

''(B) The Secretary shall consider the aggregate amount available to the Secretary for making guarantees under this title to be reduced by the amount determined by multiplying—

''(i) the amount guaranteed under this title for an obligation, by

''(ii) the subsidy rate for the category in which the obligation is placed under subparagraph (A) of this paragraph.

''(C) The estimated long-term cost to the Government of a guarantee made by the Secretary under this title for an obligation is deemed to be the amount determined under subparagraph (B) for the obligation.

''(D) The Secretary may not guarantee obligations under this title after the aggregate amount available to the Secretary under appropriations Acts for the cost of loan guarantees is required by subparagraph (B) to be considered reduced to zero.

''(3) The risk factors referred to in paragraphs (1) and (2) are the following:

''(A) If applicable, the country risk for each eligible export vessel financed or to be financed by an obligation.

''(B) The period for which an obligation is guaranteed or to be guaranteed.

''(C) The portion of an obligation, which is guaranteed or to be guaranteed, in relation to the total cost of the project financed or to be financed by the obligation.

''(D) The financial condition of an obligor or applicant for a guarantee.

''(E) If applicable, any guarantee under this title for an associated project.

''(F) If applicable, the projected employment of each vessel or equipment to be financed with an obligation.

''(G) If applicable, the projected market that will be served by each vessel or equipment to be financed with an obligation.

''(H) The collateral provided for a guarantee for an obligation.

''(I) The management and operating experience of an obligor or applicant for a guarantee.

''(J) Whether a guarantee is or will be in effect during the construction period of the project financed with the proceeds of a guaranteed obligation.

''(4) In this subsection, the term 'cost' has the meaning given that term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).''.

''(b) APPLICATION.—Subsection (h)(2) of section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273), as amended by subsection (a) of this section, shall apply to guarantees that the Secretary of Transportation makes or commits to make with amounts that are unobligated on or after the date of enactment of this Act.

''(c) GUARANTEE FEES.—Section 1104A(e) of title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(e)) is amended to read as follows:

''(e)(1) Except as otherwise provided in this subsection, the Secretary shall prescribe regulations to assess in accordance with this subsection a fee for the guarantee of an obligation under this title.

''(2)(A) The amount of a fee under this subsection for a guarantee is equal to the sum determined by adding the amounts determined under subparagraph (B) for the years in which the guarantee is in effect.

''(B) The amount referred to in subparagraph (A) for a year is the present value (determined by applying the discount rate determined under subparagraph (F)) of the amount determined by multiplying—

''(i) the estimated average unpaid principal amount of the obligation that will be outstanding during the year (determined in accordance with subparagraph (E)), by

''(ii) the fee rate established under subparagraph (C) for the obligation for each year.

''(C) The fee rate referred to in subparagraph (B)(ii) for an obligation shall be—

''(i) in the case of an obligation for a delivered vessel or equipment, not less than one-half of 1 percent and not more 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D); or

''(ii) in the case of an obligation for a vessel to be constructed, reconstructed, or reconditioned, or of equipment to be delivered, not less than one-quarter of 1 percent and not more than one-half of 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D).

''(D) The Secretary shall establish a formula for determining the fee rate for an obligation for purposes of subparagraph (C), that—

''(i) is a sliding scale based on the creditworthiness of the obligor;

''(ii) takes into account the security provided for a guarantee under this title for the obligation; and

''(iii) uses—

''(I) in the case of the most creditworthy obligors, the lowest rate authorized under subparagraph (C)(i) or (ii), as applicable; and

''(II) in the case of the least creditworthy obligors, the lowest rate authorized under subparagraph (C)(i) or (ii), as applicable.

''(E) For purposes of subparagraph (B)(i), the estimated average unpaid principal amount does not include the average amount (except interest) on deposit in a year in the escrow fund under section 1108.

''(F) For purposes of determining present value under subparagraph (B) for an obligation, the Secretary shall apply a discount rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding obligations of the United States having periods to maturity comparable to the period to maturity for the obligation with respect to which the determination of present value is made.

''(3) A fee under this subsection shall be assessed and collected not later than the date on which amounts are first advanced under an obligation with respect to which the fee is assessed.

''(4) A fee paid under this subsection is not refundable. However, an obligor shall receive credit for the amount paid for the remaining term of guaranteed obligation if the obligation in refinanced and guaranteed under this title after such refinancing.

''(5) The amount guaranteed by the Secretary under this title shall include the amount of the fee paid under this subsection.''.

(d) FISHING VESSEL LOAN GUARANTEES.—Notwithstanding any other provision of law, for purposes of section 1101(n) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271n)), the Secretary of Transportation shall be deemed the ''Secretary'' with respect to loan guarantee applications to finance the construction, reconstruction, or reconditioning of fishing vessels intended for the export commerce. Any fishing vessel financed with a Department of transportation export loan guarantee shall be prohibited from engaging in nay fishery within the United States exclusive economic zone.

SEC. 303. VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using long-term contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and within 6 months after the date of the enactment of this Act, shall award 9 contracts for this purpose.

(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and drydocketing) for 1 vessel in the Ready Reserve Force that is outported in the georgraphical vicinity of the shipyard; and

(2) be effective for 3 years.

(d) LIMITATION OF WORK UNDER CONTRACTS.—A contract under this section may not provide for the procurement of operation or manning for a vessel that may be procured under another contract for the vessel to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) applies.

(a) GEOGRAPHIC DISTRIBUTION.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

(f) REPORTS.—The Secretary shall submit to the Congress—

(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act; and

(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.

TITLE IV—MISCELLANEOUS

SEC. 401. MERCHANT MARINER BENEFITS.

(a) Part G of subtitle II, title 46, United States Code, is amended by adding at the end of the following new chapter:

''CHAPTER 112—MERCHANT MARINER BENEFITS

"11201. Qualified service

''For purposes of this chapter, a person engaged in qualified service if, between August 16, 1945, and December 31, 1946, the person—

''(1) was a member of the United States merchant marine (including the Army Transport Service and the Naval Transportation Service) serving as a crewmember of a vessel that was—

''(A) operated by the War Shipping Administration or the Office of Defense Transportation (or an agent of the Administration or Office);

''(B) operated in waters other than inland waters, the Great Lakes, other lakes, bays, and harbors of the United States;

''(C) under contract or charter to, or property of, the Government of the United States; and

''(D) serving the Armed Forces; and

''(2) while so serving, was licensed or otherwise documented for service as a crewmember of such a vessel by an officer or employee of the United States authorized to license or document the person for such service.

"11202. Documentation of qualified service

''(a) The Secretary shall, upon application—

''(1) issue a certificate of honorable discharge to a person who, as determined by the Secretary, engaged in qualified service of a nature and duration that warrants issuance of the certificate; and

''(2) correct, or request the appropriate official of the Federal Government to correct, the service records of the person to the extend necessary to reflect the qualified service and the issuance of the certificate of honorable discharge.

''(b) The Secretary shall take action on an application under subsection (a) not later than one year after the Secretary receives the application.

''(c) In making a determination under subsection (a)(1), the Secretary shall apply the same standards relating to the nature and duration of service that apply to the issuance of honorable discharges under section 401(a)(1)(B) of the GI Bill Improvement Act of 1977 (38 U.S.C. 106 note).

''(d) An official of the Federal Government who is requested to correct service records under subsection (a)(2) shall do so.

"11203. Eligibility for certain veterans' benefits

''(a) The qualified service of an individual who—

''(1) receives an honorable discharge certificate under section 11202 of this title, and

''(2) is not eligible under any other provision of law for benefits under laws administered by the Secretary of Veterans Affairs, is deemed to be active duty in the Armed Forces during a period of war for purposes of eligibility for benefits under chapters 23 and 24 of title 38.

''(b) The Secretary shall reimburse the Secretary of Veterans Affairs for the value of benefits that the Secretary of Veterans Affairs provides for an individual by reason of eligibility under this section.

''(c) An individual is not entitled to receive, and may not receive, benefits under this chapter for any period before the date on which this chapter takes effect.

"11204. Processing fees

''(a) The Secretary shall collect a fee of $30 from each applicant for processing an application submitted under section 11202(a) of this title.

''(b) Amounts received by the Secretary under this section shall be credited to appropriations available to the Secretary for carrying out this chapter.''.

(b) The table of chapters at the beginning of subtitle II of title 46, United States Code, is amended by inserting after the item relating to chapter 111 the following:

''112. Merchant Mariner Benefits 11201''.

SEC. 402. REEMPLOYMENT RIGHTS FOR CERTAIN MERCHANT SEAMEN.

(a) IN GENERAL.—Title III of the Merchant Marine Act, 1936 (46 U.S.C. App. 1131) is amended by inserting after section 301 the following new section:

''SEC. 302. (a) An individual who is certified by the Secretary of Transportation under subsection (c) shall be entitled to reemployment rights and other benefits substantially equivalent to the rights and benefits provided for by chapter 43 of title 38, United States Code, for any member of a Reserve component of the Armed Forces of the United States who is ordered to active duty.

''(b) An individual may submit an application for certification under subsection (c) to the Secretary of Transportation not later than 45 days after the date the individual completes a period of employment described in subsection (c)(1)(A) with respect to which the application is submitted.

''(c) Not later than 20 days after the date the Secretary of Transportation receives from an individual an application for certification under this subsection, the Secretary shall—

''(1) determine whether or not the individual—

''(A) was employed in the activation or operation of a vessel—

''(i) in the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946, in a period in which that vessel was in use or being activated for use under subsection (b) of that section;

''(ii) that is requisitioned or purchased under section 902 of this Act; or

''(iii) that is owned, chartered, or controlled by the United States and used by the United States for a war, armed conflict, national emergency, or maritime mobilization need (including for training purposes or testing for readiness and suitability for mission performance); and

''(B) during the period of that employment, possessed a valid license, certificate of registry, or merchant mariner's document issued under chapter 71 or chapter 73 (as applicable) of title 46, United States Code; and

''(2) if the Secretary makes affirmative determinations under paragraph (1)(A) and (B), certify that individual under this subsection.

''(d) For purposes of reemployment rights and benefits provided by this section, a certification under subsection (c) shall be considered to be the equivalent of a certificate referred to in paragraph (1) of section 4301(a) of title 38, United States Code.''.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to employment described in section 302(c)(1)(A) of the Merchant Marine Act, 1936, as amended by subsection (a), occurring after the date of enactment of this Act.

(c) REGULATION.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations implementing this section.

SEC. 403. EXTENSION OF WAR RISK INSURANCE AUTHORITY.

Section 1214 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1294) is amended by striking ''June 30, 1995'' and inserting ''June 30, 2000''.

SEC. 404. AMENDMENT TO THE MERCHANT SHIP SALES ACT.

Section 11(b)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744(b)(2)) is amended by striking ''Secretary of the Navy,'' and inserting ''Secretary of Defense,''.

SEC. 405. REPORTING REQUIREMENT REDUCTION.

Section 308(c) of title 49, United States Code, is amended by inserting ''even-numbered'' after ''each''.

● Mr. HOLLINGS. Mr. President, I support this legislation to revitalize and stabilize our maritime industry. It is long past time for legislation to stop the flight away from the U.S. flag. The United States has a long and honorable maritime heritage and tradition, but we are facing the prospect that our maritime industry might only be heritage and tradition ad not part of our future.

The United States relies on ocean transportation for international trade purposes, and also to protect our national security interests. The continued presence of an active maritime industry ensures that the United States will not have to rely on the kindness of other nations to achieve important national objectives.

The United States is the world's only remaining superpower, but we could be put in the position of sending U.S. troops into war with the promise that we would supply them, provided that the Department of Defense (DOD) can charter vessels willing to deliver cargo into the war zone. This position would be simply unacceptable. Ironically, DOD has spent billions of dollars in the construction of surge sealift vessels, and billions of dollars in maintaining a Reserve Fleet of vessels. However, DOD has neglected the most important component in marine transportation: who will navigate those ships and deliver the cargo. The commercial U.S.-flag industry provides a labor pool of experienced personnel capable of contributing to any defense logistical support need.

Attempts to formulate a maritime reform bill over the years have had bipartisan support, and I look forward to continued efforts with my colleagues to revitalize our maritime industry.●

● Mr. INOUYE. Mr. President, I take this opportunity to congratulate Senator LOTT for his fine work in drafting a maritime bill with bipartisan support. I look forward to working with him to complete the effort that we initiated last year to reform our maritime laws, and look forward to the enactment of legislation preserving our maritime industrial base.

The United States has a long and illustrious maritime history from the privateer fleet of the early eighteenth century, to the fast clipper ships of the mid-eighteenth century, to the incredible build up of Liberty and Victory ships so integral to our victory in World War II. In the past, when we called on the U.S. merchant marine, they delivered the goods.

Absent some government action, we are facing the prospect of not being able to call on the merchant marine again. For years, we have heaped requirements on the U.S.-flag operators. These requirements have made it more expensive to operate as U.S. flag.

Meanwhile, foreign-flag competitors have been allowed to take advantage of regulatory regimes that have less stringent safety, tax, and labor law requirements.

The United States is the world's only remaining super power. However, we may be facing the prospect of having to charter foreign-flag vessels for U.S. military support. This may put us in the position of hoping that the next military conflict is internationally supported and provides an opportunity for the safe transportation of foreign-flag chartered vessels. The Department of Defense has spent billions of dollars building up a reserve fleet of cargo vessels. Unfortunately, a policy to cost-effectively crew those vessels has not been developed. As I speak, U.S. marines on Ready Reserve Force vessels are performing transportation missions in support of Operation Quick Lift, the U.S. government's contribution to the United Nations Reaction Force for Bosnia, while under fire in Croatia. I question whether foreign shipping interests would be interested in evacuating military personnel and supplies from the war zone.

Without the passage of this legislation we will be facing the prospect of relying on foreign shipping to achieve our national security and economic security objectives.●

By Mr. EXXON (for himself, Mr. HOLLINGS, and Mr. INOUYE):

S. 1140. A bill to amend title 49, United States Code, to terminate the Interstate Commerce Commission and establish the United States Transportation Board within the Department of Transportation, and to redistribute necessary functions within the Federal Government, reduce legislation, achieve budgetary savings, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE INTERSTATE COMMERCE COMMISSION SUNSET ACT OF 1995

● Mr. EXON. Mr. President, I introduce landmark legislation to eliminate the Interstate Commerce Commission (ICC) and to transfer its responsibilities to the independent United States Transportation Board (USTB) which will be organized under the U.S. Department of Transportation.

This bill builds on successful legislation I introduced in recent years to bring fairness, efficiency and productivity to the transportation sector. The Negotiated Rates Act, for example, approved in 1993 has already saved American businesses billions of dollars in so-called undercharge claims and litigation, by relieving small businesses and charities of undercharge liability and providing for fair and expeditious settlement of all other undercharge claims. In addition, the Trucking Regulatory Reform Act of 1994 enacted dramatic and revolutionary federal regulatory reform in truck and bus transportation. These measures combined with the intra-state truck rate and route deregulation provision contained in the 1994 Airport Improvement Program Reauthorization bill represent a body of law which comprises one of the most important, dramatic, productive and meaningful regulatory reforms in modern times.

As a long time defender and supporter of an independent Interstate Commerce Commission, I introduce this legislation with some sadness because as one of the few Members of Congress with regular contact with America's oldest independent regulatory agency, I know well the dedication, commitment, and hard work of the Commission and all of its employees. In a different time, with different fiscal realities, it might have been possible to maintain a strong independent regulatory agency.

That being said, I introduce this legislation with a great deal of pride and enthusiasm. Not only is this legislation a tribute and compliment to earlier efforts made by the Congress to introduce competition into the bus, truck, and rail sectors through the Bus Act, the Motor Carrier Act, and the Staggers Act, this legislation opens a new chapter in Federal transportation policy.

Mr. President, this bill can serve as a model for other agencies to achieve the efficiencies that the people demand, but also do the work that the people expect.

One might ask why there is a need for a successor agency to the ICC. Simply put, if there were no forum to resolve disputes, oversee standard contract terms, review rail mergers and abandonments, establish national standards, and assure fair treatment for shippers and communities America's great, efficient, and productive surface transportation sector will spin into chaos. Each State would develop its own rules and transportation companies would become entangled in needless, complicated litigation. The United States Transportation Board (USTB) will assure that there is continuity in transportation policy.

The new USTB—an independent board within the Department of Transportation will continue to be the fair referee between shippers, carriers and communities. It will provide interested parties one stop shopping and administer a significantly streamlined body of law which would assure that the public interest is protected in transportation policy.

This transfer of responsibility and streamlining of authority will reduce costs both to taxpayers and the private sector and assure that key transportation safety responsibilities do not ''fall between the cracks.''

I am hopeful that this legislation represents only a first step to even greater consolidation and efficiency of transportation regulation and dispute resolution. My vision for the new USTB is that it become a fair forum for all modes of transportation. I strongly support the incorporation of the Federal Maritime Commission's (FMC's) duties into the responsibilities of the USTB as well as aviation dispute resolution duties administered by the Federal Aviation Administration (FAA).

Senator INOUYE is the Senate's leading expert on maritime issues and I look forward to working with him and others to promote this intermodal concept.

In a real sense, the introduction of this legislation represents the first step in a long journey but a necessary one.

Mr. President, our nation takes for granted the blessings of America's great transportation system. Every part of the nation has accessible transportation service. As the Congress continues its efforts to keep regulation to the minimum necessary to protect the public interest, let us not forget what a valuable asset we have and how critically important it is that the Congress carefully choose the correct course.

I urge my colleagues to study this proposal and look forward to working with members from both sides of the aisle to assure that the Congress continue its responsible modernization of American transportation policy.●

By Mr. PRESSLER (for himself and Mr. BURNS):

S. 1141. A bill to authorize appropriations for the activities of the Under Secretary of Commerce for Technology, and for scientific research services and construction of research facilities activities of the National Institute of Standards and Technology, for fiscal years 1996, 1997, and 1998, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT OF 1995

Mr. PRESSLER. Mr. President, I rise to introduce the Technology Administration Authorization Act of 1995. I am pleased to have Senator BURNS, chairman of the Subcommittee on Science, Technology, and Space, join me as an original cosponsor. This bill provides a 3-year authorization for the Commerce Department's Technology Administration and its National Institute of Standards and Technology [NIST]. Specifically, the bill provides $755 million for fiscal year 1996 and $750 million for each of fiscal years 1997 and 1998 for those programs.

As part of our effort to streamline the Department of Commerce, the fiscal year 1996 authorization for the Commerce Department's Technology Administration represents a 13-percent cut from the fiscal year 1995 level of $864 million. To that end, the bill also directs the Department to establish a plan for eliminating the largely redundant Office of Technology Policy during fiscal year 1996, transferring any essential functions to NIST. The bill also makes substantial cuts in funding for the Technology Administration. However, with the exception of the Office of Technology Policy, the bill continues all of the Technology Administration's major programs.

With regard to NIST, the bill provides $750 million for each of fiscal years 1996, 1997, and 1998. This authorization is a 12-percent cut from the fiscal year 1995 level of $854 million. The bill provides $263 million for the NIST internal research programs and standards activities. NIST's standards work may be its most important function. Increasingly, standards are being used by foreign governments to close their markets to U.S. industries. There is little question that standards will become an increasingly potent trade weapon used to hinder market entry by U.S. firms or retaliate against the United States. In recognition of this, the bill fully funds NIST's lab and standards programs from fiscal year 1996 through fiscal year 1998 at their fiscal year 1995 funding level.

The bill also provides strong support for NIST's Industrial Technology Services [ITS] account, which funds the agency's Advanced Technology Program and the manufacturing extension partnership. The bill authorizes $427 million a year from fiscal year 1996 through fiscal year 1998 for the ITS account, a cut of 19 percent from the fiscal year 1995 appropriation of $526 million.

The bill leaves it to the discretion of the agency how to allocate funding among ATP, MEP, and the quality programs within the ITS account. However, the bill makes clear it does not authorize any funding for ATP grants after October 1, 1995. This limitation reflects the belief that, since it was first funded in fiscal year 1990, the ATP has grown too big, too fast, without demonstrating clear benefits to U.S. industry. Many critics of ATP have rightly pointed out that, too often, ATP grants have gone to Fortune 500 companies like IBM, Dupont, and Texas Instruments instead of the small high-technology ventures for which the ATP was intended.

Regardless of the merits of the program, I believe that ATP-type grant programs cannot boost U.S. competitiveness alone. Rather, they must be a part of a larger national strategy including appropriate deregulation, tax incentives, and antitrust and product liability reform. Accordingly, the bill only authorizes support for existing grants while Congress has a chance to evaluate more closely the value of ATP in our competitiveness strategy.

To conduct quality research, you need quality facilities. In that connection, the bill also provides $60 million for each of the 3 fiscal years for the construction of facilities account to fund needed new construction and renovation at NIST.

Mr. President, it is disturbing to this Senator that less populated States, like South Dakota, have had difficulty getting any help from NIST in the area of manufacturing assistance. I know of at least two instances in my home State where attempts to obtain assistance from NIST have fallen on deaf ears. If these programs are continued in any form, they must benefit the entire country and not just high-technology corridors or revitalized Rust Belt areas in the East and West. To that end, the bill authorizes $10 million in fiscal year 1996 and $15 million in fiscal year 1997 and fiscal year 1998 for a new program at NIST called the Experimental Program to Stimulate Competitive Technology [EPSCOT]. Modeled after similar programs at the National Science Foundation and other science agencies, EPSCOT will provide grants for research and outreach work in rural States like my home State of South Dakota. Indeed, at our August 1 Commerce Committee hearing on the future of the Commerce Department, Secretary Brown endorsed the idea of starting an EPSCOT program at NIST. Our rural States want to contribute to the technological revolution. EPSCOT will help them do so.

Finally, Mr. President, the bill would make technical changes to the Fastener Quality Act recommended by the Fastener Advisory Committee. In 1992, the Fastener Advisory Committee determined that implementing the act in its present form—without these changes—would have imposed costs close to $1 billion on the industry. The changes address the concerns of the Fastener Advisory Committee regarding metal chemistry testing, commingling of fasteners in distribution, and acceptance of nonconforming fasteners. For the past 3 years, NIST has delayed its implementation of the current law in the hope that Congress would correct the glaring problems in the current law. The specific language in the bill was developed by NIST and the fastener industry. The fastener-related provisions in this bill are similar to changes passed by the Senate, but not enacted, in 1994 as part of the National Competitiveness Act.

As chairman of the Senate Commerce Committee, I believe that by providing a 3-year authorization, our bill lends strength and stability to the Department of Commerce's important technology and research programs. At the same time, because of the tight budget environment we face, the bill forces the Technology Administration to carry out its goals and missions with less funding than before. I am hopeful the reduced funding level will motivate the Department of Commerce to eliminate unnecessary functions such as the Office of Technology Policy and operate more efficiently while ensuring all America has the opportunity to benefit from its programs. If we are going to reinvent the programs of the Commerce Department, the Technology Administration is an excellent starting point. This bill starts us on that path.

By Mr. PRESSLER (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. BURNS, and Mr. BREAUX):

S. 1142. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION ACT OF 1995

Mr. PRESSLER. Mr. President, today I am introducing the National Oceanic and Atmospheric Administration Authorization Act of 1995. This bill provides a three year authorization for the National Oceanic and Atmospheric Administration [NOAA]. Specifically, the bill provides $1.81 billion for FY96 $2.02 billion for FY97, and $2.03 billion for FY98. I am pleased to have join me as original cosponsors on this legislation: Senator HOLLINGS, Ranking Member of the Commerce Committee and Senators STEVENS, BURNS, and BREAUX.

One of my goals in developing this legislation was to review current programs to see if they could be restructured while improving their functions. Over the last several months, I have heard people calling for major changes at the Department of Commerce. As Chairman of the Committee on Commerce, Science, and Transportation, I conducted a hearing on August 1, 1995, and invited Secretary of Commerce Ronald Brown to testify. His comments, as well as others', have helped in developing a bill that answers that call. This bill downsizes bureaucracy. It consolidates duplicative programs. It transfers functions to other agencies that can manage them better. It terminates unnecessary programs. Overall, the bill is a 7 percent decrease from the FY95 appropriations level of $1.95 billion and a 14 percent decrease from the Administration's FY96 request.

The mission of NOAA is to explore, map, and chart the global ocean and its living resources as well as to manage, use, and conserve these resources; to describe, monitor, and predict conditions in the atmosphere, ocean, sun, and space environments; to issue warnings against impending destructive natural events; to assess the consequences of inadvertent environmental modification over several scales of time; and to manage and disseminate long-term environmental information.

Mr. President, as a Senator representing an agricultural state, I cannot overstate the importance of NOAA's weather warnings and forecasts to our farmers and ranchers. My colleagues on the Commerce Committee who represent coastal states also know the great value of weather warnings as well as the value of NOAA's ocean and fishery programs. Therefore, I believe that the core functions of NOAA need to stay together as a single entity. The National Oceanic and Atmospheric Administration Authorization Act of 1995 authorizes just such an entity.

Mr. President, let me outline the specifics of the bill:

TITLE I: NOAA ATMOSPHERIC AND SATELLITE PROGRAMS

Section 101 authorizes the operations and research activities of the National

Weather Service (NWS) at $477,207,000 (FY96), $491,523,000 (FY97), and $484,278,000 (FY98). These activities include meteorological, hydrological, and oceanographic public warnings and forecasts, as well as applied research in support of such warnings and forecasts.

Section 102 authorizes $131,335,000 (FY96), $222,000,000 (FY97), and $225,500,000 (FY98) to develop, acquire, and implement public warning and forecast systems. These systems include: (1) the Next Generation Weather Radar (NEXRAD), which use Doppler technology to provide more accurate forecasts and warnings; (2) the Automated Surface Observing Systems (ASOS), which will relieve NWS staff from the manual collection of weather observations; (3) the Advanced Weather Interactive Processing System (AWIPS), which will provide NWS meteorologists with integrated radar, satellite, and ground data for the first time; and (4) the Advanced Computer Technology to enable the development of improved computer weather forecast models.

Section 103 authorizes $113,252,000 (FY96), $115,918,000 (FY97), and $119,396,000 (FY98) for NOAA to carry out its climate and air quality research activities. It continues support for NOAA programs designed to develop the capability to predict interannual (year-to-year) and seasonal climate changes over North America and improves NOAA's ability to do long-term climate and air quality research and high performance computing.

Section 104 authorizes $46,850,000 for each of FY96, FY97, and FY98 for atmospheric research activities. These activities include efforts to improve observational and predictive capabilities for atmospheric processes, with special emphasis on solar disturbances and their effects on the Earth.

Section 105 authorizes $449,000,000 for FY96 and $535,000,000 in each of FY97 and FY98 for the operation of NOAA's current geostationary (GOES) weather satellites and for NOAA's polar orbiting (POES) environmental satellites as well as for NOAA's related ground station systems. The bill also authorizes funds for the ongoing procurement and launch of replacement satellites. The weather satellites support the forecast and warning activities of the NWS. The environmental satellites are used for global change monitoring and research, for the monitoring of distress signals over land and sea through the Search and Rescue Satellite Aided Tracking (SARSAT) program, and for the monitoring of driftnets in the North Pacific.

Section 106 authorizes $40,000,000 for each of the three fiscal years for NOAA's data and information products, services, and assessments. These climate, ocean, geophysical, and environmental data services are used by all of NOAA's programs.

Section 107 describes the four core responsibilities of the National Weather Service (NWS) in its duty of protecting life and property and enhancing the national economy as: (1) the sole official source of weather warnings; (2) the issuance of storm warnings; (3) the collection, exchange, and distribution of meteorological, hydrological, climatic, and oceanographic data and information; and (4) the preparation of hydrometeorological guidance and core forecast information.

Section 108 authorizes the procurement of up to four additional Geostationary Operational Environmental NEXT (GOES I-M) satellites and support systems from the developer of previous GOES-NEXT satellites.

Finally, section 109 amends the Land Remote Sensing Act of 1992 to direct the Landsat Program Management Member to retain fees collected from foreign ground stations, and for Landsat 7 data sales to offset the system's operating costs. It also directs the Secretary of Commerce (the Secretary) to examine how NOAA might procure and operate its Landsat 7 ground segment in a more inexpensive fashion. It authorizes Landsat 7 operations at $10,000,000 annually.

TITLE II: NOAA OCEAN AND COASTAL PROGRAMS

Section 201 authorizes $44,917,000 (FY96), $47,652,000 (FY97), and $46,265,000 (FY98) for the National Ocean Service's (NOS) mapping, charting, and geodesy activities, including geodetic data collection and analysis. Observation and assessment activities are authorized at $66,591,000 (FY96), $68,589,000 (FY97), and $70,646,000 (FY98), of which $10,943,000 (FY96), $11,271,000 (FY97), and $11,609,000 (FY98) are authorized for Coastal Ocean Program (COP) activities. The COP efforts contribute to three major elements of NOAA's strategic plan by improving: prediction and knowledge of factors influencing our abilities to build and maintain sustainable fisheries; prediction of coastal hazards to protect human life and personal property; and prediction of coastal ocean pollution to help correct and prevent degradation.

Section 202 authorizes $9,506,000 (FY96), $9,791,000 (FY97), and $10,085,000 (FY98) for Ocean and Great Lakes research activities.

Section 203 authorizes not more than $53,300,000 (FY96), $54,899,000 (FY97), and $56,546,000 (FY98) for the National Sea Grant College Program. This funding goes to the network of 29 Sea Grant institutions engaged in research, education, and advisory/extension services.

Section 204 authorizes a maximum of $12,000,000 (FY96), $12,360,000 (FY97), and $12,731,000 (FY98) for the National Undersea Research Program's (NURP) undersea research activities. These funds are to be used only to fund the ongoing operations of existing undersea research centers, each of which is to receive, at a minimum, thirteen percent of annual appropriations made under this section.

Finally, section 205 authorizes programs under the Coastal Zone Management Act. Specifically, monies for Protection of Coastal Waters (section 6217) are authorized at $5,000,000 for each of FY96, FY97, and FY98. Grants for developing coastal zone management programs (section 305) are authorized not to exceed $750,000 per grant in each of FY96, FY97, and FY98. Those grants for funding, improving, and enhancing coastal zone programs (section 305, 306A, and 309 grants) are authorized not to exceed $45,500,000 (FY96), $46,865,000 (FY97), and $48,271,000 (FY98). The section also authorizes amounts not to exceed $3,350,000 (FY96), $3,451,000 (FY97), and $3,554,000 (FY98) for section 315 grants (National Estuarine Research Reserves), and such sums, not to exceed $10,000,000 per fiscal year, for FY96, FY97, and FY98 for section 310 (Technical Assistance) grants. Authorization for expenses incident to administering the Coastal Zone Program are limited to the lesser of either $5,000,000 or eight percent of the total appropriated amount under this Act, with the additional restriction that administrative monies are not be used to augment grants made under other sections of this Act.

TITLE III: NOAA MARINE FISHERIES PROGRAMS

Section 301 authorizes a total of $99,928,000 (FY96), $102,926,000 (FY97), and $106,014,000 (FY98) for NOAA National Marine Fisheries Service (NMFS) Programs. This includes $49,340,000 (FY96), $50,820,000 (FY97), and $52,345,000 (FY98) for Fisheries Information, Collection, and Analysis; $28,183,000 (FY96), $29,028,000 (FY97), and $29,899,000 (FY98) for Fisheries Conservation and Management, and $22,405,000 (FY96), $23,077,000 (FY97), and $23,769,000 (FY98) for State and Industry Cooperative Fisheries Programs.

Section 302 authorizes the construction of a fisheries research facility at Fort Johnson, South Carolina and the consolidation of fishery research facilities on Auke Cape near Juneau, Alaska.

Finally, section 303 provides reform to the fisheries loan guarantee program by limiting the loan amount to no more than $25,000,000 annually and by prohibiting these loans for vessels that will increase harvesting capacity within the U.S. exclusive economic zone.

TITLE IV: PROGRAM ADMINISTRATION AND SUPPORT

Section 401 authorizes $72,847,000 (FY96), $75,032,000 (FY97), and $77,283,000 (FY98) for executive direction and administrative activities. Acquisition, construction, maintenance, and operation of NOAA facilities are authorized at $54,163,000 for each of FY96, FY97, and FY98. Marine services activities, including ship operations, maintenance, and support are authorized at $60,000,000 for each of FY96, FY97, and FY98. Aircraft service activities, including aircraft operations, maintenance, and support are authorized at $9,500,000 for each of FY96, FY97, and FY98.

Section 402 requires the Secretary to reduce the Full Time Equivalents

(FTEs) of NOAA by at least 2,318 from the FY93 FTE base. This 16 percent reduction is to be completed by the end of FY99. This section also calls for the reduction of active duty officers of the NOAA Commissioned Officer Corps and additional language to facilitate that downsizing.

TITLE V: COST SAVINGS AND STREAMLINING

Section 501 transfers the NOAA Aeronautical Charting and Cartography Office's responsibilities for functions that are necessary or incidental for performance by or under the Administration of the Federal Aviation Administration (FAA) to the FAA.

Section 502 directs the Secretary to review regulations issued by NOAA prior to January 1, 1995 and to reduce the volume by 45 percent by December 31, 1997.

Section 503 requires the Secretary to submit a revised fleet modernization plan to the appropriate committees of the Senate and the House of Representatives. The plan should include proposals for a 50 percent reduction from the current fleet size, including the elimination of three existing vessels in fiscal year 1997 and three in fiscal year 1998; a 50 percent reduction from the construction costs submitted in the 1993 fleet modernization plan; the use of chartering and contracting out; and the sale of decommissioned vessels where feasible.

Section 504 directs the Secretary to review all congressionally mandated reporting requirements and to recommend legislation by March 31, 1996 to eliminate at least 50 percent of such reporting requirements that were in effect on January 1, 1995.

Section 505 authorizes the Secretary to develop a laboratory consolidation plan for underutilized facilities.

Section 506 authorizes the Secretary to convey the NMFS Gloucester, Massachusetts laboratory to the Commonwealth of Massachusetts for use by the Commonwealth's Division of Marine Fisheries resource management program. The Secretary is authorized to enter into a memorandum of understanding with the Commonwealth to allow NMFS to continue to occupy part of the laboratory for a period not to exceed five years. A reversionary clause is included.

Section 507 includes a provision authorizing the Secretary of Commerce to execute agreements with State and local governments to clean up land and property formerly owned by NOAA on the Pribilof Islands, Alaska.

Finally, section 508 requires amounts received by the United States in settlement of, or judgment for, damage claims arising from a past accident where a moored NOAA vessel was hit by another vessel to be deposited as offsetting collections in the NOAA Operations, Research, and Facilities account. Such funds may not exceed $518,757.09.

Mr. President, I would like to commend the ranking member, Senator HOLLINGS, for his assistance in the development of this bill. Our desire to work in a bipartisan fashion does indeed help in providing the best work product possible.

I also would like to commend the efforts of Senator STEVENS and Senator BURNS, the respective Chairmen of our Oceans and Fisheries Subcommittee and our Science, Technology, and Space Subcommittee, and their Ranking Members Senator KERRY and Senator ROCKEFELLER. Working together we can restore some of the needed fiscal austerity to our Federal Government—making it smaller, less costly, yet more efficient. This bill moves us in that direction.

Mr. STEVENS. Mr. President, I am pleased to join Senators PRESSLER and HOLLINGS in introducing the National Oceanic and Atmospheric Administration Authorization Act of 1995.

The bill reauthorizes for three years a number of NOAA programs under the jurisdictions of the Senate Subcommittee on Oceans and Fisheries (which I chair) and Senate Subcommittee on Science, Technology and Space (chaired by Senator BURNS).

The bill proposes significant reductions to the size and cost of NOAA which will help in meeting the massive reductions in federal spending that we must achieve.

Even with the proposed reductions, however, I believe the legislation will strengthen NOAA and the programs within NOAA that have functioned very well together.

The bill mandates that NOAA reduce its overall workforce by 2,318 by the end of FY1999. This represents a 17-percent reduction from the FY93 level.

It requires a 50-percent reduction in the size of the NOAA research fleet over the next 10 years, including the decommissioning of at least 6 vessels within the next two years, which will represent a 25-percent reduction in the first two years.

The bill allows NOAA to partially make up for this reduction in fleet capability through charters with private vessels.

The bill also requires that the proposed cost of modernizing the vessels that are kept in the fleet be reduced by 50 percent.

The bill authorizes the National Undersea Research Program (NURP) for the first time, but caps this program at $12 million per year, which is $6 million less than was appropriated by Congress in FY95.

We've required that NOAA transfer its aeronautical charting functions to the Federal Aviation Administration to eliminate the duplication of functions between these two agencies.

The bill would require the Administrator of NOAA to identify and eliminate all redundant or obsolete regulations issued by the agency within the next two years.

The bill calls on NOAA to review all Congressionally-mandated reporting requirements, and to recommend legislation by March of 1996 to reduce these reporting requirements by 50 percent.

Many of the reports that Congress has required of NOAA are no longer beneficial yet we have not discontinued them.

The bill calls on NOAA to prepare a plan by March of 1996 to consolidate its laboratories to eliminate duplicative functions and to reduce costs.

The bill would cap the amount of fishing vessel and fishing facility loans that NOAA can guarantee, and allows the agency to pay for the administrative costs of the Fishing Vessel Obligation Guarantee Program with the percentage fees that are already being charged to loan guarantee recipients.

The bill would prohibit new loan guarantees for the construction of fishing vessels if the construction of the vessel would increase the harvesting capacity within the U.S. exclusive economic zone.

A provision has been included in the bill at my request to allow NOAA to consolidate its personnel and functions in Juneau, Alaska under one roof.

NOAA does not currently have its own facility in Juneau, and this new facility will help the agency save the cost of leasing space in various Juneau buildings over the long run.

The new facility can only be built if NOAA does not have to pay for the property it is built on.

The bill also authorizes the Secretary of Commerce to clean up property formerly owned by NOAA on the Pribilof Islands.

Our proposal will allow for the continued modernization of the National Weather Service and the vital functions provided by that agency.

The bill authorizes 12 percent less in fiscal year 1996 that was requested in the Administration's fiscal year 1996 NOAA budget.

In fiscal years 1997 and 1998, the amount authorized for NOAA will increase slightly to cover the out-year costs of the NWS modernization.

I urge my colleagues to support the quick passage of this legislation when we return from the August recess.

By Mr. HATCH:

S. 1143. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOOD STAMP ACT AMENDMENT ACT OF 1995

Mr. HATCH. Mr. President, I rise today to introduce S. 1143, a bill to amend the Food Stamp Act to allow participants to use food stamp benefits to purchase dietary supplements.

This is a slightly broader measure than the McConnell-Harkin bill just introduced today, which I also am pleased to support.

My legislation would allow purchases with food stamps of all dietary supplements, including vitamins, minerals, herbs, and amino acids. The McConnell bill, companion to Chairman EMERSON's H.R. 236 in the House, would cover vitamins and minerals only.

If we are to allow food stamps purchases of vitamins and minerals, which I agree is a good idea, I feel it is also wise to cover all dietary supplements.

There is ample evidence to show the nutritional benefits of dietary supplements. I direct my colleagues' attention to Senate Report 103–410, which accompanied the Dietary Supplement Health and Education Act [DSHEA] in which we provided abundant references for such studies.

Americans use dietary supplements to ensure that their basic nutritional requirements are met, to support their health during periods of special risk, and to help protect against chronic disease.

In fact, studies have shown that more than 100 million Americans regularly use dietary supplements.

Increasingly, Americans are using herbal supplements to enhance their diets with substances found in plants and vegetables. Modern diets lack many novel constituents found only in herbal products. In addition, research has shown that many foodstuffs and substances found in human tissues and cells, such as amino acids, also contain compounds beneficial to health.

Mr. President, there is an ample body of evidence to show that Americans simply are not consuming healthy diets, and this is true for children, women, and men.

In one Government study of the eating habits of more than 21,000 people, not a single person got the full recommended daily allowance of 10 key vitamins and minerals.

Many other studies have shown that the poor and elderly in our country are especially likely to have low nutrient intakes, often with significant health consequences. For example, a 1992 study by a world-renowned authority on immune function reported that giving a modest multivitamin with minerals to a group of men and women over the age of 65 for a period of 1 year cut the number of sick days in this group in half compared to an unsupplemented group.

Perhaps the best example is folic acid, which the Food and Drug Administration steadfastly resisted revealing to America's women as a significant protector against birth defects in newborns.

For this reason, I think it is entirely appropriate, indeed warranted, that any participant in the Food Stamp Program who wants to improve his or her health be allowed to purchase dietary supplements.

I know that some are concerned that allowing food stamps to be used for nutritional supplements will in some way divert from the purpose of the Food Stamp Program, which is to improve the nutrition of people in need.

In fact, at a July 25 hearing before the House Agriculture Subcommittee on Department Operations, in arguing against the Emerson bill, a representative of the United Fresh Fruit and Vegetable Association [UFFVA] testified that ''The fundamental purpose of the Food Stamp Program is to provide to people in need purchasing power to buy foods.''

I would suggest that the Congress has already recognized that dietary supplements are considered food, and I direct the UFFVA to section 3 of the Dietary Supplement Health and Education Act of 1994—Public Law 103–417—which clearly reiterates that dietary supplements are to be considered as foods within the meaning of the Federal Food, Drug and Cosmetic Act. I would also question what the purpose is in allowing people in need to purchase foods if not to improve their nutrition? And improving nutrition is the goal of the legislation we are introducing today.

Another witness at the House hearing, Ms. Yvette Jackson, Deputy Administrator of the Food Stamp Program at the Department of Agriculture, said that ''Substituting supplements for food weakens the time-honored link between nutrition benefits and agricultural production, a link that this Committee has traditionally fought to preserve.'' It is interesting to find that the Agriculture Department seems to consider food stamps an agricultural price support, rather than a nutritional support.

I have found from my study of this issue over the years that people who use dietary supplements are often those who are most interested in improving or maintaining their health. I think this shows that food stamps which are used to buy dietary supplements would go for good use.

Mr. President, one final point. Many supporters of this legislation point out that, at present, food stamps can be used to purchase so-called junk food.

Given the choice between a Twinkie or a vitamin, I hope that the vitamin would win out every time.

But that is not a choice afforded to participants of the Food Stamp Program.

Only through legislation such as that we are introducing today can this deficiency in the Food Stamp Program be corrected. I invite my colleagues to join me in supporting this bill.

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. 1143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

SEC. 2. AMENDMENT OF THE FOOD STAMP ACT OF 1977.

Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or dietary supplement (as defined in section 201(ff) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(ff)))''.

ADDITIONAL COSPONSORS

S. 141

At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 141, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 851

At the request of Mr. JOHNSTON, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 851, a bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes.

S. 924

At the request of Mr. GREGG, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 924, a bill to amend the Internal Revenue Code of 1986 to provide a reduction in the capital gains tax for assets held more than 2 years, to impose a surcharge on short-term capital gains, and for other purposes.

S. 948

At the request of Mr. DORGAN, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 948, a bill to encourage organ donation through the inclusion of an organ donation card with individual income refund payments, and for other purposes.

S. 959

At the request of Mr. HATCH, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Idaho [Mr. CRAIG], the Senator from Tennessee [Mr. FRIST], the Senator from