

**SECTION 1. STEPS TOWARD NORTH-SOUTH DIALOGUE ON THE KOREAN PENINSULA.**

It is the sense of the Congress that—

(1) substantive dialogue between North and South Korea is vital to the implementation of the Agreed Framework Between the United States and North Korea, dated October 21, 1994; and

(2) together with South Korea and other concerned allies, and in keeping with the spirit and letter of the 1992 agreements between North and South Korea, the President should pursue measures to reduce tensions between North and South Korea and should facilitate progress toward—

(A) holding a North Korea-South Korea summit;

(B) initiating mutual nuclear facility inspections by North and South Korea;

(C) establishing liaison offices in both North and South Korea;

(D) resuming a North-South joint military discussion regarding steps to reduce tensions between North and South Korea;

(E) expanding trade relations between North and South Korea;

(F) promoting freedom to travel between North and South Korea by citizens of both North and South Korea;

(G) cooperating in science and technology, education, the arts, health, sports, the environment, publishing, journalism, and other fields of mutual interest;

(H) establishing postal and telecommunications services between North and South Korea; and

(I) reconnecting railroads and roadways between North and South Korea.

**SEC. 2. REPORT TO CONGRESS.**

Beginning 3 months after the date of enactment of this joint resolution, and every 6 months thereafter, the President shall transmit to the appropriate congressional committees a report setting forth the progress made in carrying out section 1.

**SEC. 3. DEFINITIONS.**

As used in this joint resolution—

(1) the term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives;

(2) the term "North Korea" means the Democratic People's Republic of Korea; and

(3) the term "South Korea" means the Republic of Korea.

**VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1995**

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 2394, and further, that the Senate proceed to its immediate consideration.

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

The clerk will state the bill by title.

A bill (H.R. 2394) to increase, effective as of December 1, 1995, the rates of compensation for veterans with service-connected disabilities, and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3054

(Purpose: To propose a substitute)

Mr. LOTT. Mr. President, I send an amendment to the desk on behalf of

Senator SIMPSON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. SIMPSON, proposes an amendment numbered 3054.

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

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1995".

**SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.**

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 1995, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b)

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.—The dollar amount in effect under section 1311(b) of such title.

(7) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF PERCENTAGE INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 1995. Each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1995, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(2) In the computation of increased dollar amounts pursuant to paragraph (1), any amount which as so computed is not an even multiple of \$1 shall be rounded to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

**SEC. 3. PUBLICATION OF ADJUSTED RATES.**

At the same time as the matters specified in section 215(i)(2)(D) of the Social Security

Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1996, the Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in section 2(b), as increased pursuant to section 2.

Mr. SIMPSON. Mr. President, it is a pleasure for me, as chairman of the Senate Veterans Affairs Committee, to summarize and comment briefly on legislation to grant to recipients of VA compensation and dependency and indemnity compensation [DIC] benefits a cost of living adjustment [COLA] increase, effective on checks delivered to them at the first of the year. This legislation is appropriate—even as we proceed this very week to each final agreements with the House on reconciliation measures.

Mr. President, let me assure this body from the get-go that the Committee on Veterans Affairs will meet its reconciliation targets. Indeed, this legislation contains one provision—the so-called round-down provision that I will explain in just a moment—which will help the committee meet its targets. I give this assurance up front—just so all will be comfortable that this Senator has not suddenly gone soft and become a wild-eyed big spender. I surely have not. Even so, however, I believe that the recipients of veterans' compensation ought to receive a COLA—especially since we on the Veterans Committee have found a proper way to reach our reconciliation targets, and get this Nation on a path to a balanced budget, without denying such a COLA.

This bill, which was approved unanimously by the Committee on Veterans' Affairs on September 20, 1995, is simple and straight-forward. It would grant to recipients of certain VA benefits—most notably, veterans with service-connected disabilities, who receive VA compensation, and the survivors of veterans who have died as a result of service-connected injuries or illnesses, who receive dependency and indemnity compensation or DIC—the same COLA that Social Security recipients will receive. So, for example, if Social Security recipients receive a 2.6-percent adjustment at the beginning of next year—as it appears they will—then so too would the beneficiaries of VA compensation and DIC.

The bill would also do one other thing: It would modify the methodology by which VA computes the amount of monthly benefit checks, as so adjusted. VA benefits, Mr. President, are paid in round-dollar amounts. As a result, when a round-dollar benefit amount—say, as an example, the current benefit of \$260 per month going to a 30-percent disabled veteran—is multiplied by a Consumer Product Index percentage of, say, 2.6 percent, it almost invariably yields a mathematical product that is not a round-dollar amount. In the case of a \$260 benefit check, for example, a 2.6-percent increase would yield a nonrounded number of \$266.76.

VA practice, in the past, has been to round up fractional dollar amounts of

\$0.50 or more, and round down fractional dollar amounts of \$0.49 or less. So, in the above case, a 30-percent disabled veteran would get a monthly check next year of \$267 under past practice. This bill would direct VA to round down next year in all cases, so, in the above example, a 30-percent disabled veteran would get a monthly check of \$266.

Some might say, "What's the big deal?" They might also say, "Why is SIMPSON boring us with this green-eye-shade, accounting stuff?" I'll tell you why: it is because this simple rounding-down provision—because it affects so many VA beneficiaries, but only to a degree which is painless to each—yields big money over time—big money—in terms of savings and deficit reduction. According to the Congressional Budget Office [CBO], this simple provision will save the taxpayer \$520 million over a 7-year period. I repeat: 520 million bucks. That's real money. Real money that benefits taxpayers collectively—and, I daresay, harms no individual VA beneficiary to the point that he or she will even miss the loss.

This simple example of what can be done to balance the budget, Mr. President, ought to strengthen the resolve of each of us to get that vital job done. In the Veterans Committee, we have found ways to reduce the growth of VA's mandatory budget accounts by over \$6 billion in 7 years—over 6 billion dollars—and no veterans are going to have to suffer any inordinate harm. Despite the inaccurate, unfair, and unfounded pronouncements of the Secretary of Veterans Affairs, and despite

what veterans—and Senators—have heard from service organizations crying wolf, we will not be cutting off compensation benefits to 10- and 20-percent disabled veterans. We will not be taxing or means-testing anyone's compensation benefits—though a good case for doing just that can be made and, in fact, was made by a disabled veteran who is a member of this body, the distinguished Senator from Nebraska [Mr. KERRY], in testimony before the committee. And we will not be establishing a performance-of-duty standard now as a condition to receipt of disability compensation—though I can assure all that this Senator continues to be interested in exploring that option at much greater length. We will, however, be making a huge dent in the deficit.

As I stated when I opened this statement, I want all to understand that we can give our disabled veterans, and their widows, a COLA and still meet our deficit reduction targets. And we will do so. Please, all of you, keep this in mind when any person tries to tell you that the Congress is going to "balance the budget on the backs of the Nation's veterans." It simply is not so. And no one—no one—has seriously suggested such a course. The Nation and the Congress have been good to our veterans. We will continue to be good to our veterans.

Mr. President, I appreciate the time that has been afforded me to address this subject. I ask unanimous consent that at this point that CBO's cost estimate of S. 992, which is the text of the substitute amendment with a minor

technical adjustment, be printed in the RECORD.

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

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, October 25, 1995.  
Hon. ALAN K. SIMPSON,  
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 992, the Veterans' Compensation Cost-of-Living Adjustment Act of 1995, as ordered reported by the Senate Committee on Veterans' Affairs on September 20, 1995.

The bill would affect direct spending and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,  
JUNE E. O'NEILL,  
Director,

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 992.
2. Bill title: Veterans' Compensation Cost-of-Living Adjustment Act of 1995.
3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs on September 20, 1995.
4. Bill purpose: This bill would provide 1996 cost-of-living adjustments (COLAs) for veterans with service-connected disabilities and for survivors of certain disabled veterans and would round the increase to the next lower dollar.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DIRECT SPENDING						
Spending Under Current Law:						
Estimated Budget Authority .....	14,176	14,835	15,395	15,976	16,594	17,018
Estimated Outlays .....	14,422	13,675	15,312	15,928	16,543	18,241
Proposed Changes:						
Estimated Budget Authority .....	0	-16	-20	-21	-21	-22
Estimated Outlays .....	0	-15	-19	-20	-21	-23
Spending Under Proposals:						
Estimated Budget Authority .....	14,176	14,819	15,375	15,955	16,573	16,996
Estimated Outlays .....	14,422	13,660	15,293	15,908	16,522	18,218

6. Basis of estimate: As specified in the Balanced Budget Act, the baseline assumes that monthly rates of disability compensation paid to veterans and of dependency and indemnity compensation (DIC) paid to their survivors are increased by the same COLA payable to Social Security recipients, and the results of the adjustments are rounded to the nearest dollar. This bill would round 1996 adjustments down to the next lower dollar. The effect of rounding down the benefit was estimated using the current table of monthly benefits and the number of beneficiaries assumed in the CBO baseline.

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The bill would have the following pay-as-you-go impact:

[By fiscal years, in millions of dollars]

	1996	1997	1998
Change in Outlays .....	-15	-19	-20
Change in Receipts .....		(1)	

<sup>1</sup> Not applicable.

8. Estimated cost to State and local governments: None.

9. Estimate comparison: None.

10. Previous CBO estimate: On September 29, 1995, CBO prepared a cost estimate for H.R. 2394 as ordered reported by the House Committee on Veterans' Affairs. That bill rounded down the COLA for disability compensation and some DIC recipients. It further reduced the COLA of other DIC recipients.

11. Estimate prepared by: Mary Helen Petrus.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

Mr. ROCKEFELLER. Mr. President, as the ranking minority member of the Committee on Veterans' Affairs, I urge the Senate to pass the pending legislation, S. 992, the proposed Veterans' Compensation Cost-of-Living Adjustment Act of 1995.

Mr. President, effective December 1, 1995, this bill would increase the rates of compensation paid to veterans with

service-connected disabilities and the rates of dependency and indemnity compensation, or DIC, paid to the survivors of certain service-disabled veterans. The rates would increase by 2.6 percent, the same percentage as the increase in Social Security and VA pension benefits for fiscal year 1996.

Mr. President, there are 2.2 million service-disabled veterans and over 300,000 survivors who depend on these compensation programs. These individuals have made enormous sacrifices on behalf of this Nation. As ranking minority member of the Committee on Veterans' Affairs, I am committed to ensuring that these veterans and veterans' survivors receive the benefits they deserve. I believe strongly that we have a fundamental obligation to meet the needs of those who became disabled as the result of military service, as well as the needs of their families. This

measure fulfills one of the most important aspects of that obligation.

Mr. President, ever since I began my career in public service, I have worked closely with the veterans of my home state of West Virginia, and now, as ranking minority member of the Committee on Veterans' Affairs, I have had the opportunity to work with veterans all across the country. Consequently, I am keenly aware of the fact that the compensation payments that would be increased by this bill have a profound effect on the everyday lives of the veterans and veterans' survivors who receive them. It is our responsibility to continue to provide cost-of-living adjustments in compensation and DIC benefits in order to guarantee that the value of these essential, service-connected VA benefits is not eroded by inflation.

I am very proud that Congress consistently has fulfilled its obligation to make sure that the real value of these benefits is preserved by providing an annual COLA for compensation and DIC benefits every fiscal year since 1976. Most recently, on October 25, 1994, Congress enacted Public Law 103-418, which provided for a 2.8-percent increase in these benefits, effective December 1, 1994.

Mr. President, we cannot ever repay the debt we owe to the individuals who have sacrificed so much for our country. Service-disabled veterans and the survivors of those who died as the result of service-connected conditions are reminded daily of the price they have paid for the freedom we all enjoy. The very least we can do is protect the value of the benefits they have earned through their sacrifice.

Mr. President, I urge all of my colleagues to support this vitally important measure.

Mr. LOTT. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time, passed as amended, and the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at an appropriate place in the RECORD.

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

So the bill (H.R. 2394), as amended, was deemed read the third time, and passed.

#### AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 194, submitted earlier today by Senator DOLE.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S.Res. 194) to authorize representation by the Senate Legal Counsel.

The Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, early next year, the substantive provisions of the

Congressional Accountability Act of 1995, which, among other things, creates procedures for judicial review of employment discrimination claims throughout the Congress, begin to take effect. Although the 1995 Act will govern all cases that arise after the requirements of the new law takes effect, the Senate's process for review of employment discrimination claims in Senate employment, which was created by the Government Employee Rights Act of 1991, continues to govern older cases. Office of the U.S. Senate Sergeant at Arms versus Office of Senate Fair Employment Practices, now pending in the United States Court of Appeals for the Federal Circuit, is a case initiated under the 1991 act.

The petitioner in this case is the Office of the Sergeant at Arms, which under the 1991 law is the employing office for Senate-paid members of the Capitol Police. The Office of the Sergeant at Arms seeks review of a ruling of the Select Committee on Ethics, which affirmed a decision of a hearing board appointed by the Director of the Office of Senate Fair Employment Practices. The Ethics Committee decision, which was signed jointly by the chairman and vice chairman, held that there had been a failure to reasonably accommodate a Capitol Police officer's disabilities of alcoholism and depression in violation of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, as incorporated into the Government Employee Rights Act.

Under the Government Employee Rights Act, a final decision of the Ethics Committee is entered in the records of the Office of Senate Fair Employment Practices, which is then named as the respondent if the decision is challenged in the Federal Circuit. As petitions for review in the Federal circuit challenge final decisions of a Senate adjudicatory process, under the Government Employee Rights Act the Senate Legal Counsel may be directed to defend those decisions through representation of the Office of Senate Fair Employment Practices in court.

Accordingly, this resolution directs the Senate Legal Counsel to represent the Office of Senate Fair Employment Practices, in the case of Office of U.S. Senate Sergeant at Arms versus Office of Senate Fair Employment Practices, in defense of the Ethics Committee's final decision.

Mr. LOTT. Mr. President I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 194) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 194

Whereas, in the case of *Office of the United States Senate Sergeant at Arms v. Office of Sen-*

*ate Fair Employment Practices*, No. 95-6001, pending in the United States Court of Appeals for the Federal Circuit, the Office of the Sergeant at Arms has sought review of a final decision of the Select Committee on Ethics which had been entered, pursuant to section 308 of the Government Employee Rights Act of 1991, 2 U.S.C. §1208 (1994), in the records of the Office of Senate Fair Employment Practices;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1)(1994), the Senate may direct its counsel to defend committees of the Senate in civil actions relating to their official responsibilities;

Whereas, pursuant to section 303(f) of the Government Employee Rights Act of 1991, 2 U.S.C. §1203(f)(1994), for purposes of representation by the Senate Legal Counsel, the Office of Senate Fair Employment Practices, the respondent in this proceeding, is deemed a committee within the meaning of sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a), 288c(a)(1)(1994); Now, therefore, be it

*Resolved*, That the Senate Legal Counsel is directed to represent the Office of Senate Fair Employment Practices in the case of *Office of the Senate Sergeant at Arms v. Office of Senate Fair Employment Practices*.

#### MIDDLE EAST PEACE FACILITATION ACT

Mr. LOTT. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2589 just received from the House.

The PRESIDING OFFICER. Without objection. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2589) to extend authorities under the Middle East Peace Facilitation Act of 1994 until December 31, 1995, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. I ask unanimous consent that the bill be considered, read a third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to this measure appear at the appropriate place in the RECORD as though read.

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

So the bill (H.R. 2589) was deemed read the third time and passed.

#### ORDERS FOR MONDAY, NOVEMBER 13, 1995

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Monday, November 13; that following the prayer, the Journal of proceedings be deemed approved to date, that no resolutions come over under the rule, that the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately turn to the consideration of the House message to accompany H.R. 2491, the reconciliation bill.