By Mr. PRYOR:

S. 633. A bill to amend the Federal Deposit Insurance Act to provide certain consumer protections if a depository institution engages in the sale of nondeposit investment products, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. D'AMATO (for himself and Mr. DOLE):

S. 634. A bill to amend title XIX of the Social Security Act to provide a financial incentive for States to reduce expenditures under the Medicaid Program, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON (for herself, Mr. NUNN, Mr. THURMOND, and Mr. GRAHAM):

S. 635. A bill to amend title 10, United States Code, to provide uniformity in the criteria and procedures for retiring general and flag officers of the Armed Forces of the United States in the highest grade in which served, and for other purposes; to the Committee on Armed Services.

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

S. 636. A bill to require the Secretary of Agriculture to issue new term permits for grazing on National Forest System lands to replace previously issued term grazing permits that have expired, soon will expire, or are waived to the Secretary, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN:

S. 637. A bill to remove barriers to interracial and interethnic adoptions, and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI (by request):

S. 638. A bill to authorize appropriations for United States insular areas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CAMPBELL (for himself and Mr. JOHNSTON):

S. 639. A bill to provide for the disposition of locatable minerals on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WARNER (for himself, Mr. CHAFEE, Mr. REID, Mr. BOND, Mr. GRAHAM, and Mr. MCCONNELL):

S. 640. A bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, Mr. HATCH, Mr. JEFFORDS, Mr. FRIST, Mr. PELL, Mr. DODD, Mr. COATS, and Mr. SIMON):

S. 641. A bill to reauthorize the Ryan White CARE Act of 1990, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 642. A bill to provide for demonstration projects in six States to establish or improve a system of assured minimum child support payments, and for other purposes; to the Committee on Finance.

By Mr. JEFFORDS (for himself and Mrs. MURRAY):

S. 643. A bill to assist in implementing the Plan of Action adopted by the World Summit for Children; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE:

S. Res. 95. A resolution making minority party appointments to the Committee on Energy and Natural Resources, and the Committee on Veterans' Affairs; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. BIDEN, Mrs. KASSEBAUM, Mr. BINGAMAN, Mr. JEFFORDS and Mr. WELLSTONE):

S. 632. A bill to create a national child custody database, to clarify the exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act of 1980, and for other purposes; to the Committee on the Judiciary.

THE CHILD CUSTODY REFORM ACT OF 1995

Mr. DOMENICI. Mr. President, I am this morning going to introduce a bill that I am hopeful the Judiciary Committee of the U.S. Senate will take into consideration rather quickly and report something to the U.S. Senate akin to what I am going to talk about for the next few minutes.

There is much talk about seeing to it that we insist that parents be responsible and that, where there are custody situations in a split household, divorce or otherwise, the obligations to pay child support get enforced across the land. The President speaks of it, everyone speaks of it, in more or less the notion of the need for parental responsibility and the fact that responsible parents alleviate some of the Government's expenditures if they were paying their legally obligated payments to their children.

And so today I want to discuss briefly where we are with reference to that and what we ought to do.

Let me talk now about the bill itself.

Over the past few months, we in Congress have spoken a great deal about the need to get our Nation's fiscal house in order. Although we may disagree on exactly how we should get there, the debate on this matter has demonstrated at least one matter on which we all agree. This central point of agreement is about the future, and what responsibilities and burdens we will be handing to generations yet to come. Concern for the future of our children and grandchildren must be the defining issue. I believe this our foremost responsibility, and I know there are many women and men in this body who share this commitment.

The need to provide for the future of our children and, indeed, the Nation, however, does not hinge solely on fiscal policy. The responsibilities we hold for the children of America span all aspects of life and incorporate many elements of the law. Children hold a special status under the law. We recognize that without a responsible parent or guardian, children are at the mercy of society. In the absence of measures to protect them, they are our most vulnerable and needy citizens. In such a case, the law becomes their primary protector and provider, and often their last source of relief in many instances in this country. I am addressing these issues today because I rise to introduce a bill that seeks to further support children in this country, and which will assist in protecting them when their best interests are not being served.

THE CHILD CUSTODY REFORM ACT OF 1995

In 1980, Congress passed the Parental Kidnapping Prevention Act—the PKPA. This bill sought to end the common situation where feuding parents, whether divorced, separated, estranged, or otherwise, used their children as pawns in their personal vendettas against each other. Often, this would take the form of one parent kidnapping the child and moving to another State. Once in the other State, the parent could petition that State court in order to obtain a new custody ruling. In the event that a different ruling was handed down, the legal battles began, with the child being used as leverage in a vicious parental battle that often played out over many years. The children thrown into the middle of these situations obviously suffered, some think they suffered irreparable harm, and congress had to step in to bring this practice to a halt. The PKPA did much to alleviate this situation, and solidified the statutes that protect children involved in custody disputes. Several years of this law in actual practice, however, have demonstrated that some gaps exist in this legislation, and there remain a few loopholes through which this situation can continue.

So today I rise to introduce the Child Custody Reform Act of 1995. We have worked diligently on this with various entities in our country and with the American Bar Association because we have one of these typical situations in the law that is spoken of when you go to law school as conflicts of interest, or conflict law. So this bill is going to put a cap on some of these inconsistencies and to further help resolve a troubling situation that continues to this day.

The Child Custody Reform Act that I am introducing amends the PKPA in two ways: First, this act would clarify the language of the PKPA so that future jurisdictional disputes are eliminated altogether. And second, this act would establish a national child custody registry so that the courts and officers of the court would have quick and accurate access to information regarding the status of any child in the Nation for whom a custody decree has been issued.

It would not pry into anyone's life. It would just take a matter of court record and produce that in a manner that would be available interstate, so that in a legal battle in State X with two children involved, the court can

immediately find out whether those two children are already involved in a legal situation in another State.

So, what we are going to do in this law is as follows.

Current PKPA provisions still allow a second State to issue a separate and oftentimes conflicting child custody ruling. This flaw allows a second State to modify a custody ruling made by a first State by determining on its own that the first State no longer had jurisdiction under its own law.

That is kind of legal jargon, but essentially if there is a valid decree affecting children in State A and one of the parents moves to State B, State B has found a way to avoid State A's decree which was made and is valid by finding that the first court did not have jurisdiction, and so they would take it all over in the second court.

We have worked long and hard with experts in the bar association on the law of conflicts and the law of custody.

This flaw allows the second State to modify the ruling where only one of the parents or one of the contending parties is present.

So under these proposed changes, the court of the second State would not be allowed to issue a ruling modifying the initial custody decree as long as one of the contestants still remained in the State that issued the original ruling.

This will say, as a matter of law nationally, the second State attempting to change the ruling in a State that already ruled, that that court has no jurisdiction as a matter of law in America, and the case must be returned to the first State. That means that a contestant will enter a motion in court setting this statute up as a defense and the judge will have clearly before him or her a national statute that says they must defer this back to the State of original jurisdiction.

If the original issuing State declines to exercise continuing jurisdiction, the second State would then be free to modify the ruling as it sees fit. This, I believe and many in the legal profession believe, will go a long way to stop jurisdictional disputes between States and their courts over contesting parties where there is a child or children in the middle of this battle from ever occurring.

We are, obviously, open to better language. We are, obviously, open to the Judiciary Committee of the U.S. Senate with its good legal counsel and Members of the Senate who have worked on this issue long and hard, to see if they can do better by language than we have, but we think this will go a long way.

Currently, States are required to keep a listing of existing child custody decrees. I repeat, that is not new. What exists right now is that States are required to keep a listing. No way of exchanging this between States is currently in the law of the land or being accomplished by any kind of standardization.

So what we decided to do in this bill—myself and cosponsors and I am sure there will be others—we have decided that we should encourage the establishment of a national registry in conjunction with the already existing Federal parent locater service where information on these children or their legal status could be entered. Thus, it would be available between States, and States would not get hoodwinked where a parent could take the children to another State, leave one parent behind, and want to start anew, ignoring what has already happened.

Obviously, the second court would know that those children were the subject of a custody decree in another State, and unless the original State declines to exercise jurisdiction, that would be returned to the original State that entered the decree, thus, not permitting parents to use their children as pawns and decide they will move to another State to change custody or change the obligation to pay child support.

So when a proceeding is commenced anywhere in the country, an officer of the court could immediately check with the registry of each State, which would be available to them, to see if a standing custody order currently exists or if a custody proceeding is currently pending in another court.

In the event that another ruling on the same child or children exists, the second court, in compliance with the PKPA, would immediately know not to proceed any further. If the adult guardian or parent still wished to move for a modification of the decree, they would have to petition the State in which the original custody decree was issued.

Thus, we can see that the registry would help immensely in eliminating jurisdictional fights that occur these days that are not in the interest of the children of the adult contestants.

SENSE-OF-THE-SENATE RESOLUTION FOR SUPERVISED VISITATION CENTERS

In addition to the changes in the PKPA, this bill would express the sense of the Senate that local governments should take full advantage of the funds allocated in last year's crime bill, under the provisions for local crime prevention block grants, to establish supervised visitation centers for children involved in custody disputes. These centers would be used for the visitation of children when one or both of the parents are believed to put the children at risk of physical, emotional, or sexual abuse.

CONCLUSION

I believe this bill is a valuable and needed step to ensure that the children of America are looked after in a responsible and caring manner. It is unfortunate that we need to pass laws of this nature. One would think that good sense and responsible adult behavior would resolve this problem on its own. This presently is not the case, however. As a result, the law must step in and serve the public interest, and the best interests of children enduring these hardships. I am greatly encouraged that my colleagues, Senators JEFFORDS, BINGAMAN, BIDEN, and WELLSTONE have joined me in support of this bill, and I look forward to further consideration by the entire Congress.

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. 632

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Custody Reform Act of 1995''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) parents who do not find a child custody ruling to their liking in one State will often start a custody proceeding in another State in the hope of obtaining a more favorable ruling;

(2) although Federal and State child custody jurisdictional laws were established to prevent this situation, gaps still exist that allow for confusion and differing interpretations by various State courts, and which lead to separate and inconsistent custody rulings between States;

(3) in the event that a different ruling is handed down in the second State's court, the problem then arises of which court has jurisdiction, and which ruling should be granted full faith and credit under the Parental Kidnapping Prevention Act of 1980;

(4) changes in the Parental Kidnapping Prevention Act of 1980 must be made that will provide a remedy for cases where conflicting State rulings exist—

(A) to prevent different rulings from occurring in the first instance by clarifying provisions with regard to continuing State jurisdiction to modify a child custody order; and

(B) to assist the courts in this task by establishing a centralized, nationwide child custody database; and

(5) in the absence of such changes, parents will continue to engage in the destructive practice of moving children across State borders to escape a previous custody ruling or arrangement, and will continue to use their helpless children as pawns in their efforts at personal retribution.

SEC. 3. MODIFICATION OF REQUIREMENTS FOR COURT JURISDICTION.

Section 1738A of title 28, United States Code, is amended—

(1) by amending subsection (d) to read as follows:

''(d)(1) Subject to paragraph (2), the jurisdiction of a court of a State that has made a child custody determination in accordance with this section continues as long as such State remains the residence of the child or of any contestant.

''(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.'';

(2) in subsection (f)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively; and

(B) in paragraph (1), as so redesignated, by inserting ''pursuant to subsection (d),'' after ''the court of the other State no longer has jurisdiction,''; and

(3) in subsection (g), by inserting ''or continuing jurisdiction'' after ''exercising jurisdiction''.

SEC. 4. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) is amended by adding at the end the following new subsection:

''(g)(1) Subject to the availability of appropriations, the Secretary of Health and Human Services, in cooperation with the Attorney General, shall expand the Federal Parent Locator Service established under this section, to establish a national network to allow State courts to identify every proceeding relating to child custody jurisdiction filed before any court of the United States or of any State. Information identifying custody determinations from other countries will also be accepted for filing in the registry.

''(2) As used in this subsection—

''(A) the term 'information' includes—

''(i) the court or jurisdiction where a custody determination is filed;

''(ii) the name of the presiding officer of the issuing court;

''(iii) the names and social security numbers of the parties;

''(iv) the name, date of birth, and social security numbers of each child; and

''(v) the status of the case;

''(B) the term 'custody determination' has the same meaning given such term in section 1738A of title 28, United States Code;

''(C) the term 'custody proceeding'—

''(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protection from domestic violence, and Hague Child Abduction Convention proceedings; and

''(ii) does not include a judgment, decree, or other order of a court regarding paternity or relating to child support or any other monetary obligation of any person, or a decision made in a juvenile delinquency, status offender, or emancipation proceeding.

''(3) The Secretary of Health and Human Services, in cooperation with Attorney General, shall promulgate regulations to implement this section.

''(4) There are authorized to be appropriated such sums as are necessary to carry out this subsection.''.

SEC. 5. SENSE OF SENATE REGARDING SUPERVISED VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to them, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

Mr. BIDEN. Mr. President, there is no greater legacy we leave on this Earth than our children. Keeping our children safe and helping them grow into productive adults is our greatest challenge and responsibility—as individuals and as a society.

For the most part, parents assume this responsibility willingly. But with more than 50 percent of marriages ending in divorce, some of our children face special risks.

Notwithstanding the fact that many divorced parents are sensitive to their children's needs and act in their best interests, in some cases, custody battles become prolonged wars. When this occurs, children can suffer severe emotional damage.

More seriously, when conflict escalates, it can place children at risk physically through parental kidnapping; in 1988 alone, an estimated 354,000 children were abducted by parents or family members nationwide.

In extreme cases, disputes between parents can even become fatal conflicts. Consider two recent chilling events in my State of Delaware:

In one incident, the father picked up his three children in Delaware for a visit, but then drove them to North Carolina—where he shot them in the head, set the van they were in on fire, and then killed himself in a nearby field.

In a second case, a father killed his two young children as they slept, then turned the gun on himself.

The result of these incidents, which occurred in the space of 2 weeks time—five children dead, all innocent victims of divorce and custody disputes. Of course, these are extreme cases, but they illustrate what can happen when custody disputes escalate.

That is why over the years, we have worked to ensure that the justice system works as smoothly and effectively as possible at handling custody matters, and in particular at making sure that interstate conflicts in custody orders are resolved quickly and appropriately.

Between 1969 and 1983, all 50 States adopted the Uniform Child Custody Jurisdiction Act, reducing the incentive for parents to abduct their children to another State in an attempt to obtain a favorable custody order.

The act spelled out when a State has jurisdiction to issue a custody order and when it has to enforce the order of another State.

We also addressed a second problem, because States had different views of when custody orders—which are subject to modification—were adequately final so as to trigger the full faith and credit requirements of the Constitution.

In 1980, Congress enacted the Parental Kidnapping Prevention Act to impose a Federal duty on the States to enforce and not modify the custody orders of sister States that issued orders consistent with the act.

This act gives priority to States with home State jurisdiction over States that have what is called significant connections jurisdiction.

It also provides that the State that issued the first custody order has continuing jurisdiction as long as the child or any contestant resides in that State.

Unfortunately, over the years, cracks have surfaced in the application of this law, and contrary to congressional intent, many State courts have continued to modify the custody orders of States that retain continuing jurisdiction.

Take for example a case in which a married couple obtained a divorce in Michigan in 1988. Custody of their child was awarded to the mother, with visitation rights to the father. The decree specifically set-out that Michigan would maintain jurisdiction over the parents and the child.

But 6 months later, the mother, who had moved with the child to Illinois, petitioned an Illinois court to modify the father's visitation rights under the Michigan order. The Illinois trial court denied her motion, ruling that it had no jurisdiction.

Yet the Illinois Court of Appeals reversed and remanded the case, holding in part that Illinois could ''* * * modify a foreign custody judgment even if the other State has jurisdiction so long as the Illinois court has jurisdiction * * *''

The Child Custody Reform Act of 1995 that we introduce today makes it clear that in the case I just described, Illinois could not modify the Michigan court's grant of visitation rights because the father continued to reside in Michigan—and thus, Michigan maintained continuing jurisdiction to protect his interests.

The Child Custody Reform Act of 1995 will help prevent conflicting custody orders and jurisdictional deadlock. I would like to commend Senator DOMENICI for his leadership on this issue.

The act clarifies that a sister State may not enter a new custody order nor may it modify an existing custody order, as long as the original court acted pursuant to the Parental Kidnapping Prevention Act.

It also clarifies that continuing jurisdiction exists as long as the child or one of the contestants continues to reside in the State.

There are two exceptions to this rule:

If the State that issued the initial custody order declines to exercise jurisdiction to modify such determination; or

If the laws of the State that issued the initial custody order otherwise limit continuing jurisdiction when a child is absent from such a State.

Thus, the act we proposed today does not tread on a State's ability to formulate child custody policy. Instead, it merely provides a Federal obligation to give full faith and credit to the custody orders of sister States.

The importance of this legislation is that it sets a clear line to guide State decisions by requiring that a State cannot modify and must enforce a custody order issued by a sister State that retains jurisdiction under the Parental Kidnapping Prevention Act.

A second problem the legislation that we are introducing addresses is that judges do not now have a reliable, efficient way to know that a judge in another State may have already issued a custody order relating to a particular child.

In our age of advanced computer capabilities, we have the technology at our fingertips. So, let's put cyberspace

to good use for our children. And we don't need to reinvent the wheel here—we can build on what we know works.

The Federal Parent Locator Service, which has operated effectively and efficiently under the Social Security Administration for the last decade, already works to enforce State child support obligations. This legislation will expand this service to establish a child custody registry.

We must give judges in different States the ability to communicate about custody cases, and computers are the tools to do that. State courts already are automated.

With modest additional effort, we can link this information and put it to work for our children to prevent interstate custody battles.

Finally, this legislation encourages local governments to take advantage of visitation centers funded under the 1994 crime law. We can never be 100 percent certain when, how, and even if children will return safely from visits with noncustodial parents.

But visitation centers can provide a safe haven where parents can transfer their children for visitation, or leave their children for court-ordered, supervised visits.

Such centers, which Senator WELLSTONE advocated successfully last year, should be established in communities in existing facilities, such as schools, neighborhood centers, in public housing complexes, and other convenient locations.

So, by clarifying and strengthening the Parental Kidnapping Prevention Act, by putting critical child custody information at the fingertips of judges, and by providing State and local governments with the funding to open visitation centers, Mr. President, we can go a long way toward protecting our children from being caught in the middle of painful, sometimes violent custody battles.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first, let me thank my colleague, someone whom I consider to be a good friend and someone I admire as a legislator and a Senator. I am very proud to be an original cosponsor of this legislation.

By Mr. PRYOR:

S. 633. A bill to amend the Federal Deposit Insurance Act to provide certain consumer protections if a depository institution engages in the sale of nondeposit investment products, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE BANK CUSTOMER CONFIDENTIALITY AND PROTECTION ACT OF 1995

Mr. PRYOR. Mr. President, I rise to introduce the Bank Customer Confidentiality and Protection Act of 1995. This legislation has been crafted to address problems in the area of bank sales of uninsured products, such as mutual funds, identified during a continuing investigation conducted by my staff on the U.S. Senate Special Committee on Aging.

After hearing the stories of numerous older Americans who claim they did not know what they were buying when they purchased an uninsured product through their bank and then lost much of their life savings, I am convinced that more stringent protections are needed to ensure that financially inexperienced bank customers fully understand what they are buying when they invest in uninsured products.

Mr. President, this legislation is intended to help those who really need its protections, such as the 72-year-old widow in Florida who had always put her savings into FDIC-insured certificates of deposit until she was contacted by telephone by an employee of her bank offering a product with a higher rate of return. This woman then went into her bank, listened to the advice of a man whom she thought was a banker, and then transferred all her savings into an uninsured government bond fund. Even though she did not exactly understand the risks associated with the product, she trusted the bank to do her right.

Two years later, the value of the fund declined and she lost about a quarter of her life savings, savings that she had intended to use in the years ahead to avoid being a burden to her children. It is this sort of tragedy, Mr. President, that this legislation is intended to prevent.

Mr. President, under our present banking system financially inexperienced customers have reason to be concerned about the safety of their deposits. During our investigation, my Senate Aging Committee staff found that some banks were, for example, routinely:

Sharing detailed customer financial information with people selling securities, without customers' explicit knowledge;

Avoiding full and clear disclosure about the risks associated with uninsured products;

Discouraging bank customers from investing in certificates of deposit [CD's], savings accounts, and other similar FDIC-insured investments;

Establishing commission structures that provide incentives for securities salespeople to offer the bank's in-house investment products, regardless of the products' suitability for a particular customer; and

Operating in a manner that leads some customers to not fully understand the relationship between the securities salesperson and the depository institution.

I and a number of my colleagues consider these to be questionable marketing practices and find them especially troubling because of the special place banks have in our communities.

Mr. President, many older bank customers hold their bank and the people who work there in high regard and feel comfortable about taking advice from them about where to put their money.

In addition, when some customers see the FDIC emblem—something analogous to the Good Housekeeping seal of approval for many—they may believe that the FDIC coverage applies to all products offered in the institution. As customers who have seen their principals drop have realized, this is not the case.

While all bank customers need to exercise caution, older customers need to be particularly vigilant when it comes to uninsured investments such as mutual funds, principally because the savings of the elderly do not represent a renewable resource and the loss of such savings cannot be written off as lessons learned for the future.

Mr. President, to explore the impact on older Americans further, in September 1994 I chaired a U.S. Senate Special Committee on Aging hearing entitled ''Uninsured Bank Products: Risky Business for Seniors?'' At this hearing, we had older bank customers, former bank-based brokers, and industry experts come and discuss how some banks' brokerage businesses are selling inappropriate products to older customers.

It is clear that something must be done about these questionable practices. While I would prefer to avoid legislation, it appears that there may be no other option. Although some banks recently have taken steps to clean up their practices, many are continuing business as usual. In addition, the banking regulators' joint guidelines and the industry's voluntary guidelines, while well-intended, do not appear to have been totally effective in addressing marketing abuses.

Mr. President, let me address one part of these guidelines, the provision that banks have their customers sign ''disclosure'' documents before they make a purchase. One concern I have is that the format of these disclosure forms vary from bank to bank. Some banks or their investment subsidiaries do a fine job putting in plain English required disclosure information, such as the fact that uninsured investment products are not backed by the Federal Deposit Insurance Corporation. Other banks, however, present the information in such a way that you would have to be an attorney or an experienced investor and have great eyesight in order to understand what they mean.

Then there is the even more problematic issue of oral disclosure—what bank customers are told. More than a few financially inexperienced bank customers have told me that when they looked over the disclosure forms they did not understand what they meant. These customers typically would then ask the investment salespeople to interpret the forms for them. In these cases, the salespeople told their customers that the documents were just a formality to open the account or that the forms simply restated what the salespeople had told the customers.

The problem is that in some cases the salespeople had made misleading or false statements about the nature of the uninsured products when they described them, such as that they were ''as safe as the money in your pocket and will only lose money if the Federal Government goes bankrupt'' or ''backed by something better than the FDIC.''

Mr. President, the legislation I am introducing, which has been crafted after numerous meetings with industry and consumer groups, would provide needed consumer protections for financially inexperienced customers.

The legislation would provide protections by:

Requiring full and clear disclosure about the risks associated with uninsured products;

Limiting the compensation that institution employees receive for making referrals to securities salespeople;

Establishing guidelines for uninsured products' promotional materials;

Requiring common-sense physical separation of deposit and nondeposit sales products;

Prohibiting the sharing of bank customers' personal financial information without customers' explicit consent; and

Improving the coordination of enforcement-related activities between the Federal banking agencies and the Securities and Exchange Commission.

These protections will be especially important if the remaining legal barriers that currently restrict banks' involvement in the securities and insurance industries are broken down, as called for by Treasury Secretary Robert E. Rubin and several congressional proposals. These changes to our banking system that Secretary Rubin and others are advocating are not necessarily bad ones, and I will consider them with an open mind if they come to the floor of the Senate. However, without the consumer protections called for by my legislation, dropping the remaining restrictions likely would create even more confusion among customers over which products at a bank are federally insured and which are not.

In the meantime, as we consider the legislation I am introducing today, we need to continue reminding all bank customers that not everything they put money in at the bank is backed by the FDIC or the bank—regardless of what somebody might lead them to believe.

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

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

S. 633

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 ''Bank Customer Confidentiality and Protection Act of 1995''.

SEC. 2. CUSTOMER PROTECTIONS REGARDING NONDEPOSIT INVESTMENT PRODUCTS.

(a) AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following new subsection:

''(q) SAFEGUARDS FOR SALE OF NONDEPOSIT INVESTMENT PRODUCTS.—

''(1) DEFINITIONS.—For purposes of this subsection—

''(A) the terms 'broker', 'dealer', and 'registered broker or dealer' have the same meanings as in section 3 of the Securities Act of 1934;

''(B) the term 'customer'—

''(i) means any person who maintains or establishes a deposit, trust, or credit relationship with an insured depository institution;

''(ii) includes any person who renews an account in an insured depository institution and any person who rolls over a deposit in any such account; and

''(iii) any person who contacts an insured depository institution, in person or otherwise, for the purpose of inquiring about or purchasing a nondeposit investment product;

''(C) the term 'Federal securities law' has the meaning given to the term 'securities laws' in section 3(a)(47) of the Securities Exchange Act of 1934;

''(D) the term 'nondeposit investment product'—

''(i) includes any investment product that is not a deposit; and

''(ii) does not include—

''(I) any loan or other extension of credit by an insured depository institution;

''(II) any letter of credit; or

''(III) any other instrument or investment product specifically excluded from the definition of such term by regulations prescribed jointly by the Federal banking agencies after consultation with the Securities and Exchange Commission;

''(E) the term 'nonpublic customer information'—

''(i) means information regarding any person which has been derived from any record of any insured depository institution and pertains to the person's relationship with the institution, including the provision or servicing of a credit card; and

''(ii) does not include information about a person that could be obtained from a credit reporting agency that is subject to the restrictions of the Fair Credit Reporting Act by a third party that is not entering into a credit relationship with the person, but that otherwise has a legitimate business need for that information in connection with a business transaction involving the person; and

''(F) the term 'self-regulatory organization' has the same meaning as in section 3(a)(26) of the Securities Exchange Act of 1934.

''(2) MISREPRESENTATION OF GUARANTEES.—It shall be unlawful for any insured depository institution sponsoring, selling, or soliciting the purchase of any nondeposit investment product to represent or imply in any manner whatsoever that such nondeposit investment product—

''(A) is guaranteed or approved by the United States or any agency or officer thereof; or

''(B) is insured under this Act.

''(3) CUSTOMER DISCLOSURE.—

''(A) IN GENERAL.—An insured depository institution shall, concurrently with the opening of an investment account by a customer or with the initial purchase of a nondeposit investment product by a customer, prominently disclose, in writing, to that customer—

''(i) that nondeposit investment products offered, recommended, sponsored, or sold by the institution—

''(I) are not deposits;

''(II) are not insured under this Act;

''(III) are not guaranteed by the insured depository institution; and

''(IV) carry risk of a loss of principal;

''(ii) the nature of the relationship between the insured depository institution and the broker or dealer;

''(iii) any fees that the customer will or may incur in connection with the nondeposit investment product;

''(iv) whether the broker or dealer would receive any higher or special compensation for the sale of certain types of nondeposit investment products; and

''(v) any other information that the Federal banking agencies jointly determine to be appropriate.

''(B) CUSTOMER ACKNOWLEDGMENT OF DISCLOSURE.—

''(i) IN GENERAL.—Concurrently with the opening of an investment account by a customer or with the initial purchase of a nondeposit investment product by a customer, an insured depository institution or other person required to make disclosures to the customer under subparagraph (A) shall obtain from each such customer a written acknowledgment of receipt of such disclosures, including the date of receipt and the name, address, account number, and signature of the customer.

''(ii) RECORDS OF CUSTOMER ACKNOWLEDGEMENT.—An insured depository institution shall maintain appropriate records of the written acknowledgement required by this subparagraph for an appropriate period, as determined by the Corporation. Such record shall include the date on which the acknowledgment was obtained and the customer's name and address.

''(iii) DURATION OF ACKNOWLEDGEMENT.—Written acknowledgement shall not be considered valid for purposes of this subparagraph for a period of more than 5 years, beginning on the date on which it was obtained.

''(C) PROHIBITION ON INCONSISTENT ORAL REPRESENTATIONS.—No employee of an insured depository institution shall make any oral representation to a customer of an insured depository institution that is contradictory or otherwise inconsistent with the information required to be disclosed to the customer under this paragraph.

''(D) MODEL FORMS AND REGULATIONS.—The Federal banking agencies, after consultation with the Securities and Exchange Commission, shall jointly issue appropriate regulations incorporating the requirements of this paragraph. Such regulations shall include a requirement for a model disclosure form solely for such purpose to be used by all insured depository institutions incorporating the disclosures required by this paragraph.

''(4) REFERRAL COMPENSATION.—A one-time nominal referral fee may be paid by an insured depository institution to any employee of that institution who refers a customer of that institution either to a broker or dealer or to another employee of that insured depository institution for services related to the sale of a nondeposit investment product, if the fee is not based upon whether or not the customer referred makes a purchase from the broker, dealer, or other employee.

''(5) PROHIBITION OF JOINT MARKETING ACTIVITIES.—No nondeposit investment product may be offered, recommended, or sold by a

person unaffiliated with an insured depository institution on the premises of that institution as part of joint marketing activities, unless the person marketing such nondeposit investment product—

''(A) prominently discloses to its customers, in writing, in addition to the disclosures required in paragraph (3), that such person is not an insured depository institution and is separate and distinct from the insured depository institution with which it shares marketing activities; and

''(B) otherwise complies with the requirements of this subsection.

''(6) LIMITATIONS ON ADVERTISING.—

''(A) MISLEADING ADVERTISING.—No insured depository institution may employ any advertisement that would mislead or otherwise cause a reasonable person to believe mistakenly that an insured depository institution or the Federal Government is responsible for the activities of an affiliate of the institution, stands behind the affiliate's credit, guarantees any returns on nondeposit investment products, or is a source of payment of any obligation of or sold by the affiliate.

''(B) NAMES, LETTERHEADS, AND LOGOS.—In offering, recommending, sponsoring, or selling nondeposit investment products, an insured depository institution shall use names, letterheads, and logos that are sufficiently different from the names, letterheads, and logos of the institution so as to avoid the possibility of confusion.

''(C) SEPARATION OF LITERATURE.—All sales literature related to the marketing of nondeposit investment products by an insured depository institution shall be kept separate and apart from, and not be commingled with, the banking literature of that institution.

''(7) LIMITATIONS ON SOLICITATION.—The place of solicitation or sale of nondeposit investment products by an insured depository institution shall be—

''(A) physically separated from the banking activities of the institution; and

''(B) readily distinguishable by the public as separate and distinct from that of the institution.

''(8) SALES STAFF REQUIREMENT.—Solicitation for the purchase or sale of nondeposit investment products by any insured depository institution may only be conducted by a person—

''(A) who—

''(i) is a registered broker or dealer or a person affiliated with a registered broker or dealer; or

''(ii) has passed a qualification examination that the appropriate Federal banking agency, in consultation with the Securities and Exchange Commission, determines to be comparable to those used by a national security exchange registered under section 6 of the Securities Exchange Act of 1934, or a national securities association registered under section 15A of that Act, for persons required to be registered with the exchange or association; and

''(B) whose responsibilities are restricted to such nondeposit investment products.

''(9) NO FAVORING OF CAPTIVE AGENTS.—No insured depository institution may directly or indirectly require, as a condition of providing any product or service to any customer, or any renewal of any contract for providing such product or service, that the customer acquire, finance, negotiate, refinance, or renegotiate any nondeposit investment product through a named broker or dealer.

''(10) RESTRICTIONS ON USE OF NONPUBLIC CUSTOMER INFORMATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no insured depository institution may use or disclose to any person any nonpublic customer information for the purpose of soliciting the purchase or sale of nondeposit investment products.

''(B) EXCEPTION BASED ON DISCLOSURE.—An insured depository institution may use or disclose nonpublic customer information for the purpose of soliciting the purchase or sale of nondeposit investment products if, before such use or disclosure—

''(i) the customer gives explicit written consent to such use or disclosure; and

''(ii) such written consent is given after the institution has provided the customer with written disclosure that—

''(I) the information may be used to target the customer for marketing or advertising for nondeposit investment products;

''(II) such nondeposit investment products are not guaranteed or approved by the United States or any agency thereof; and

''(III) such nondeposit investment products are not insured under this Act.

''(C) RECORDS OF CUSTOMER CONSENT.—An insured depository institution shall maintain appropriate records of the written consent required by subparagraph (B) for an appropriate period, as determined by the Corporation. Such record shall include the date on which the consent was signed and the customer's name and address.

''(D) DURATION OF CONSENT.—Written consent shall not be considered valid for purposes of this paragraph for a period of more than 5 years, beginning on the date on which it was obtained.

''(E) ADDITIONAL RESTRICTIONS.—The Corporation may, by regulation or order, prescribe additional restrictions and requirements limiting the disclosure of nonpublic customer information, including information to be used in an evaluation of the credit worthiness of an issuer or other customer of that insured depository institution and such additional restrictions as may be necessary or appropriate to avoid any significant risk to insured depository institutions, protect customers, and avoid conflicts of interest or other abuses.

''(11) SCOPE OF APPLICATION.—

''(A) APPLICATION LIMITED TO RETAIL ACTIVITIES.—The Federal banking agencies, after consultation with the Securities and Exchange Commission, may waive the requirements of any provision of this subsection, other than paragraph (10), with respect to any transaction otherwise subject to such provision between—

''(i) any insured depository institution or any other person who is subject, directly or indirectly, to the requirements of this section; and

''(ii) any other insured depository institution, any registered broker or dealer, any person who is, or meets the requirements for, an accredited investor, as such term is defined in section 2(15)(i) of the Securities Act of 1933, or any other customer who the Federal banking agencies, after consultation with the Securities and Exchange Commission, jointly determine, on the basis of the financial sophistication of the customer, does not need the protection afforded by the requirements to be waived.

''(B) NO EFFECT ON OTHER AUTHORITY.—No provision of this subsection shall be construed as limiting or otherwise affecting—

''(i) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law;

''(ii) any authority of any State securities regulatory agency; or

''(iii) the applicability of any Federal securities law, or any rule or regulation prescribed by the Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury pursuant to any such law, to any person.

''(12) ENFORCEMENT.—The provisions of this subsection shall be enforced in accordance with section 8.''.

(b) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, after consultation with the Securities and Exchange Commission, the appropriate Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall jointly promulgate appropriate regulations to implement section 18(q) of the Federal Deposit Insurance Act, as added by subsection (a) of this section.

SEC. 3. REGULATION BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) SEC RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Securities and Exchange Commission shall, after consultation with the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), promulgate regulations that—

(1) would afford customers of brokers and dealers that affect transactions on behalf of insured depository institutions and customers of affiliates of insured depository institutions protections that are substantially similar to section 18(q) of the Federal Deposit Insurance Act (as added by section 2 of this Act) and the regulations promulgated thereunder; and

(2) are consistent with the purposes of that section 18(q) and the protection of investors.

(b) ENFORCEMENT.—The Commission shall have the same authority to enforce rules or regulations promulgated under subsection (a) as it has to enforce the provisions of the Securities Exchange Act of 1934.

SEC. 4. ENFORCEMENT COORDINATION.

The Federal banking agencies and the Securities and Exchange Commission shall work together to develop comparable methods of securities enforcement and a process for the interagency exchange of enforcement-related information.

By Mr. D'AMATO:

S. 634. A bill to amend title XIX of the Social Security Act to provide a financial incentive for States to reduce expenditures under the Medicaid Program, and for other purposes; to the Committee on Finance.

THE STATE MEDICAID SAVINGS INCENTIVE ACT OF 1995

• Mr. D'AMATO. Mr. President, I introduce the State Medicaid Savings Incentive Act of 1995. This bill will reward States that act decisively to contain Medicaid spending by allowing such States to keep 20 percent of the resulting savings to the Federal Government.

This legislation is based on an idea put forward by New York's Governor, George Pataki, when he testified recently before the House Ways and Means Committee. New York is one of several States moving to trim the cost of their Medicaid programs through greater use of managed care. As a result of New York's efforts, the Federal Government stands to save nearly $2 billion. Governor Pataki is right in suggesting that if States like New York can save the Federal Government money through cost-saving initiatives such as Medicaid managed care, then the States should be allowed to share in that savings as a reward. This creates a strong incentive for States to

put in place programs that can both improve the care of Medicaid beneficiaries and lower the bill for American taxpayers.

Federal Medicaid spending will cost American taxpayers an estimated $90 billion in 1995. Over the past 5 years it has grown at a rate of over 18 percent a year. And since 1984 it has grown from 18 percent of all Federal health spending to over 28 percent in 1993.

The Congressional Budget Office's current estimates are that the cost of Medicaid will nearly double by the year 2000. That should serve as a wake up call to all of us.

With Medicaid representing the largest portion of many State budgets, our Nation's Governors are increasingly beginning to employ strategies such as increased use of managed care in an effort to keep rising Medicaid costs in check. Forty-four States already use managed care plans to serve some portion of their Medicaid population. According to the Department of Health and Human Services, about 23 percent of the nearly 34 million people enrolled in Medicaid now receive their medical care through managed care delivery systems—up from 14 percent in 1993.

These efforts not only hold the potential to lower costs, they also provide an opportunity to improve the quality of care for many Medicaid beneficiaries. This is a point on which there is bipartisan agreement. It is a view shared by HCFA Administrator Bruce Vladeck, who has said that managed care programs can, in his view, meet the needs of Medicaid recipients especially well, particularly because they emphasize preventive and primary care. That means better health care for Medicaid recipients, and a reduction in the inappropriate use of hospital emergency rooms as a source of primary care services.

We need to do more to encourage States to make their Medicaid programs more efficient. That is what our bill would do.

Our proposal would give States a strong incentive to restrain their Medicaid spending by allowing them to keep a share of any Federal savings that are achieved as a result. Under our bill, the Secretary of HHS would establish a spending baseline for each State. States that are successful in holding Medicaid below the baseline would receive a payment equal to 20 percent of the resulting savings to the Federal Government.

No State would be penalized for spending above the baseline, but those that spend below the baseline would be rewarded. And rewarding States that save the Federal Government money makes sense.

Containing the growth of Medicaid can only be accomplished with the help and cooperation of our Nation's Governors. This bill sends the message that the Federal Government stands ready to work in partnership with those States that have the determination to do what must be done to bring Medicaid costs under control.

I am pleased that this bill has the support of the majority leader; I believe it deserves the strong support of each of my colleagues, and should be enacted without delay to encourage our Nation's Governors to carry out the important and difficult work of reforming Medicaid.

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. 634

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 ''State Medicaid Savings Incentive Act of 1995''.

SEC. 2. MEDICAID SAVINGS INCENTIVE PAYMENTS.

(a) INCENTIVE PAYMENTS.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(1) in paragraph (7), by striking the period and inserting ''; plus''; and

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

''(8) in the case of a State to which subsection (x) applies, the amount of the incentive payment determined under such subsection.''.

(b) INCENTIVE PAYMENT.—Secton 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

''(x)(1) For purposes of subsection (a)(8), if a State achieves a rate of growth for a fiscal year which is less than the State baseline rate of growth for such fiscal year established under paragraph (3), the Secretary shall make an incentive payment to the State for the fiscal year in the amount determined under paragraph (2).

''(2) The amount of any incentive payment shall be equal to the amount that is 20 percent of the difference between the amount that the Federal Government would have paid to a State in a fiscal year for providing medical assistance in accordance with this title, if State expenditures for providing such assistance had increased by the State baseline rate of growth established under paragraph (3) for such fiscal year, and the amount that the Federal Government paid to such State in the fiscal year for providing medical assistance in accordance with this title using the actual State rate of growth for State expenditures for providing such assistance.

''(3) At the beginning of each fiscal year, the Secretary shall determine for that fiscal year a baseline rate of growth for medicaid expenditures for each State with a State plan approved under this title based on—

''(A) the historical rate of growth for such expenditures in the State; and

''(B) such other factors as the Secretary deems appropriate.''.●

By Mrs. HUTCHISON (for herself, Mr. NUNN, Mr. THURMOND, and Mr. GRAHAM):

S. 635. A bill to amend title 10, United States Code, to provide uniformity in the criteria and procedures for retiring general and flag officers of the Armed Forces of the United States in the highest grade in which served, and for other purposes; to the Committee on Armed Services.

MILITARY RETIREMENT LEGISLATION

Mrs. HUTCHISON. Mr. President, the bill that we are introducing today will streamline the process for retirement of military officers who hold 3- or 4-star rank.

Under present law, the highest permanent rank that an officer may hold is that of two stars. All active duty appointments to 3- and 4-star rank are temporary appointments made by the President of the United States and must be approved by the Senate.

The President must also nominate every 3- and 4-star office for retirement in his highest grade, and the Senate must approve of that promotion again, or, under the law, the officer retires with two-star rank.

Mr. President, I am well aware of the historical precedents for the current law, but I feel that it is time that we conformed retirements for officers in the highest flag and general officer grades to those for general and flag officers in one and two star grades.

The bill we are introducing today will accomplish that. Once officers in 3- and 4-star grades have served 3 years in grade, they will be allowed to retire in grade without further action by the Senate. This will reduce the administrative work load of the Senate Armed Services Committee and the Department of Defense.

Our proposed bill will not, however, curtail Senate prerogative over the confirmation of senior military officers for active duty assignments. The President will still be required to nominate each 3- and 4-star officer for any new assignments. The Senate will have to review those nominations and approve each and every assignment while on active duty. We simply seek to expedite the ability of the Department of Defense to retire officers in grade who have completed a statutorily imposed period of honorable service and bring more equity into the system. In no other area of life does a person retire at a lower level than his or her highest rank.

The president of a business does not retire at vice president unless repromoted by the board. The GS–15 doe not retire as a GS–14—he or she retires at the grade last served, with pay based on the highest 3 years of service. I believe our highest military officers should have the same treatment.

If a person serves honorably in the last promotion in business, government, or the military—he or she should have retirement at that level.

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. 635

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

SECTION 1. UNIFORM CRITERIA AND PROCEDURES FOR RETIRING GENERAL AND FLAG OFFICERS IN HIGHEST GRADE IN WHICH SERVED.

(a) APPLICABILITY OF TIME-IN-GRADE REQUIREMENTS.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking out ''and below lieutenant general or vice admiral''; and

(2) in the first sentence of subsection (d)(2)(B), by striking out ''and below lieutenant general or vice admiral''.

(b) REPEAL OF REQUIREMENTS FOR SENATE CONFIRMATION.—Sections 1370(c), 3962(a), 5034, and 8962(a) of title 10, United States Code, are repealed.

SEC. 2. TECHNICAL AND CLERICAL AMENDMENTS.

(a) REDESIGNATION OF SUBSECTIONS.—(1) Subsection (d) of section 1370 of such title is redesignated as subsection (c).

(2) Sections 3962(b) and 8962(b) of such title are amended by striking out ''(b) Upon'' and inserting in lieu thereof ''Upon''.

(b) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 505 of such title is amended by striking out the item relating to section 5034.

SEC. 3. EFFECTIVE DATE FOR AMENDMENTS TO PROVISION TAKING EFFECT IN 1996.

The amendments made by sections 1(a)(2) and 2(a) shall take effect immediately after subsection (d) of section 1370 of title 10, United States Code, takes effect.

Mr. NUNN. Mr. President, I am pleased to join with Senator HUTCHISON in introducing legislation to establish equity in military retirement procedures. This legislation will provide that the retirement of 3- and 4-star officers will be considered under the same standards and procedures as other general and flag officers at the 1- and 2-star level. It will also ensure that 3- and 4-star officers facing retirement are not subjected to confirmation procedures that do not apply to their civilian superiors or other civilian government officials. In other words, this legislaion would apply the same procedures to 3- and 4-star officer retirements that apply to other military and civilian officials seeking retirement.

By way of background, promotions to 3- and 4-star positions are treated as temporary, rather than permanent promotions. This means that the individual holds the 3- or 4-star grade only while serving in the 3- or 4-star position. The member also may hold the grade for brief transitional periods to cover transfers between assignments, hospitalization, and before retirement.

Because these grades are temporary, an individual who is in a 3- or 4-star grade retains his or her permanent grade, which is typically a 2-star grade. This means that if the individual is not nominated, confirmed, or appointed to another 3- or 4-star position, the individual will revert to his or her permanent—for example, 2-star grade.

Under current law, these considerations apply to retirements as well as promotions. As a result, if a 3- or 4-star officer who retires is not nominated, confirmed, or appointed to retire in a permanent 3- or 4-star grade, the individual will revert to his or her permanent—for example, 2-star grade upon retirement—with the attendant loss of retired pay and status.

This situation applies uniquely to 3- and 4-star officers. Other flag and general officers, as well as other commissioned officers, retire in the highest grade held, subject to minimum time-in-grade requirements, without a requirement for nomination, Senate confirmation, and appointment to a retired grade.

Similarly, civilian officials who retire from the civil service are not required to face Senate confirmation, no matter how high their grade. Thus, a cabinet or subcabinet official, as well as career civil service officials, who qualify for civil service retirement will receive their full retired pay—based on years of service and high-3 years rate of pay—without action by the President or the Senate.

The effect is that 3- and 4-star officers are the only Government officials who are subject to losing retired pay and status as a result of a requirement that they be confirmed in a retired grade. Neither their civilian superiors nor any other Government officials can have their retired pay and status reduced through the confirmation process.

The proposal we are introducing today would end the requirement for retiring 3- and 4-star officers to be nominated, confirmed, and appointed in a permanent 3- and 4-star grade. The result would be that 3- and 4-star officers would retire under the same conditions as other officers—for example, 2-star officers. That is, they will retire in the highest grade they held, subject to minimum time in grade requirements.

The proposal would not change the current requirement for nomination and Senate confirmation of all 3- and 4-star active duty promotions, assignments, and reassignments.

Mr. President, I want to commend the Senator from Texas [Mrs. HUTCHISON] for preparing this proposal. I believe the concept warrants favorable consideration, but the details should receive careful review and study. The Committee on Armed Service will obtain the views of the Department of Defense, and the proposal will be considered by the Personnel Subcommittee. I look forward to working on this issue with Chairman THURMOND, and with Senator COATS, the chairman of the Personnel Subcommittee, and Senator BYRD, the ranking minority member of the subcommittee.

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

S. 636. A bill to require the Secretary of Agriculture to issue new term permits for grazing on National Forest System lands to replace previously issued term grazing permits that have expired, soon will expire, or are waived to the Secretary, and for other purposes; to the Committee on Energy and Natural Resources.

GRAZING PERMITS LEGISLATION

Mr. DASCHLE. Mr. President, as part of its management of the national grasslands, the U.S. Forest Service issues permits to ranchers so that they might graze livestock on those lands. Through these permits, the Forest Service ensures that ranchers who utilize these public lands obey basic stewardship requirements and other important standards. Typically, permits are issued for 10 years and therefore must be reviewed and reissued at the end of that period.

In many cases, the ability of ranchers to graze on national grasslands means the difference between success and failure of their operations. Understandably, they are concerned, therefore, about reports that the Forest Service is facing shortfalls in funding needed to perform the National Environmental Policy Act [NEPA] analysis required to reissue grazing permits. Through no fault of their own, these ranchers may face the loss of their grazing privileges simply because the Federal bureaucracy is unable to fulfill its statutory responsibilities in a timely fashion.

As the Forest Service looks for funds to perform the required analysis, the resulting uncertainty leaves South Dakota ranchers, and indeed ranchers throughout the Nation, in an untenable economic situation. Moreover, this unfortunate predicament is compounded by the possibility that the Forest Service may divert funding allocated to other important activities, such as the timber program, research or recreation, for the permit renewal process. This prospect is akin to robbing Peter to pay Paul. At a time when there are insufficient resources to carry out basic management activities; diverting funds to perform the NEPA work on grazing allotments in a rushed manner could seriously jeopardize other priority programs.

In light of these concerns, I have drafted legislation to require the Forest Service to issue new permits for grazing on National Forest System lands where existing grazing permits have expired or will expire. This bill would assure ranchers that they could continue to graze livestock, even if the Forest Service is unable to complete the necessary NEPA analysis this year. Moreover, it would relieve pressure on the Forest Service to take funds away from other important activities such as timber sale preparation in the rush to complete this NEPA work.

My legislation would require the Forest Service to reissue permits to ranchers who are in compliance with the terms of their permits even if the NEPA work has not been completed. The terms of the new permits would be 3 years or until the necessary NEPA work is completed, whichever is sooner. It would not cover ranchers whose permits have been revoked for violations of the rules or new applications. These, I believe, are fair and reasonable conditions.

It is not my intention to overturn the requirements of NEPA. I believe that NEPA assessments provide valuable insight into the effects of range management, insights that in turn can be used to strengthen the entire grazing program. But it has become clear that in this time of funding constraints, some permits may not be reissued on time for procedural rather than substantive reasons. That is not acceptable.

Penalizing ranchers for a failure of the Federal Government to perform the necessary NEPA analysis is neither fair nor defensible. I hope that my colleagues will join me in supporting this effort to ensure the unbroken use of the range by ranchers who have complied with the terms of their permits and thus deserve to have them renewed. I ask unanimous consent that the entire 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. 636

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

SECTION 1. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Agriculture (referred to in this Act as the ''Secretary'') administers the 191,000,000-acre National Forest System for multiple uses in accordance with Federal law;

(2) where suitable, 1 of the recognized multiple uses for National Forest System land is grazing by livestock;

(3) the Secretary authorizes grazing through the issuance of term grazing permits that have terms of not to exceed 10 years and that include terms and conditions necessary for the proper administration of National Forest System land and resources;

(4) as of the date of enactment of this Act, the Secretary has issued approximately 9,000 term grazing permits authorizing grazing on approximately 90,000,000 acres of National Forest System land;

(5) of the approximately 9,000 term grazing permits issued by the Secretary, approximately one-half have expired or will expire by the end of 1996;

(6) if the holder of an expiring term grazing permit has complied with the terms and conditions of the permit and remains eligible and qualified, that individual is considered to be a preferred applicant for a new term grazing permit in the event that the Secretary determines that grazing remains an appropriate use of the affected National Forest System land;

(7) in addition to the approximately 9,000 term grazing permits issued by the Secretary, it is estimated that as many as 1,600 term grazing permits may be waived by permit holders to the Secretary in favor of a purchaser of the permit holder's permitted livestock or base property by the end of 1996;

(8) to issue new term grazing permits, the Secretary must comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other laws;

(9) for a large percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the Secretary has devised a strategy that will result in compliance with the National Environmental Policy Act of 1969 and other applicable laws (including regulations) in a timely and efficient manner and enable the Secretary to issue new term grazing permits, where appropriate;

(10) for a small percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the strategy will not provide for the timely issuance of new term grazing permits; and

(11) in cases in which ranching operations involve the use of a term grazing permit issued by the Secretary, it is essential for new term grazing permits to be issued in a timely manner for financial and other reasons.

(b) PURPOSE.—The purpose of this Act is to ensure that grazing continues without interruption on National Forest System land in a manner that provides long-term protection of the environment and improvement of National Forest System rangeland resources while also providing short-term certainty to holders of expiring term grazing permits and purchasers of a permit holder's permitted livestock or base property.

SEC. 2. DEFINITIONS.

In this Act:

(1) EXPIRING TERM GRAZING PERMIT.—The term ''expiring term grazing permit'' means a term grazing permit—

(A) that expires in 1995 or 1996; or

(B) that expired in 1994 and was not replaced with a new term grazing permit solely because the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has not been completed.

(2) FINAL AGENCY ACTION.—The term ''final agency action'' means agency action with respect to which all available administrative remedies have been exhausted.

(3) TERM GRAZING PERMIT.—The term ''term grazing permit means a term grazing permit or grazing agreement issued by the Secretary under section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), section 19 of the Act entitled ''An Act to facilitate and simplify the work of the Forest Service, and for other purposes'', approved April 24, 1950 (commonly known as the ''Granger-Thye Act'') (16 U.S.C. 580*l*), or other law.

SEC. 3. ISSUANCE OF NEW TERM GRAZING PERMITS.

(a) IN GENERAL.—Notwithstanding any other law, the Secretary shall issue a new term grazing permit without regard to whether the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has been completed, or final agency action respecting the analysis has been taken—

(1) to the holder of an expiring term grazing permit ; or

(2) to the purchaser of a term grazing permit holder's permitted livestock or base property if—

(A) between January 1, 1995, and December 1, 1996, the holder has waived the term grazing permit to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations; and

(B) the purchaser of the term grazing permit holder's permitted livestock or base property is eligible and qualified to hold a term grazing permit.

(b) TERMS AND CONDITIONS.—Except as provided in subsection (c)—

(1) a new term grazing permit under subsection (a)(1) shall contain the same terms and conditions as the expired term grazing permit; and

(2) a new term grazing permit under subsection (a)(2) shall contain the same terms and conditions as the waived permit.

(c) DURATION.—

(1) IN GENERAL.—A new term grazing permit under subsection (a) shall expire on the earlier of—

(A) the date that is 3 years after the date on which it is issued; or

(B) the date on which final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws.

(2) FINAL ACTION IN LESS THAN 3 YEARS.—If final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws before the date that is 3 years after the date on which a new term grazing permit is issued under subsection (a), the Secretary shall—

(A) cancel the new term grazing permit; and

(B) if appropriate, issue a term grazing permit for a term not to exceed 10 years under terms and conditions as are necessary for the proper administration of National Forest System rangeland resources.

(d) DATE OF ISSUANCE.—

(1) EXPIRATION ON OR BEFORE DATE OF ENACTMENT.—In the case of an expiring term grazing permit that has expired on or before the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) not later than 15 days after the date of enactment of this Act.

(2) EXPIRATION AFTER DATE OF ENACTMENT.—In the case of an expiring term grazing permit that expires after the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) on expiration of the expiring term grazing permit.

(3) WAIVED PERMITS.—In the case of a term grazing permit waived to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations, between January 1, 1995, and December 31, 1996, the Secretary shall issue a new term grazing permit under subsection (a)(2) not later than 60 days after the date on which the holder waives a term grazing permit to the Secretary.

SEC. 4. ADMINISTRATIVE APPEAL AND JUDICIAL REVIEW.

The issuance of a new term grazing permit under section 3(a) shall not be subject to administrative appeal or judicial review.

SEC. 5. REPEAL.

This Act is repealed effective as of January 1, 2001.

By Mr. MCCAIN:

S. 637. A bill to remove barriers to interracial and interethnic adoptions, and for other purposes; to the Committee on Finance.

THE ADOPTION ANTIDISCRIMINATION ACT OF 1995

● Mr. MCCAIN. Mr. President, I am pleased to introduce the Adoption Antidiscrimination Act of 1995, a bill that will prevent discrimination on the basis of race, color, or national origin in the placement of children with adoptive families.

There are few situations in this world more tragic than a child without a family. Such children do not have the basic security of parents and a permanent home environment that most of us take for granted, and that is so important to social development. Consequently, there is little that a society could do that is more cruel to a child than to deny or delay his or her adoption by a loving family, particularly if the reason for the denial or delay is that the child and family are of different races. Yet, this is precisely what our public policy does.

In the late 1960's and early 1970's, over 10,000 children were adopted by families of a different race. This was before many adoption officials decided, without any empirical evidence, that it is essential for children to be matched with families of the same race, even if they have to wait for long periods for such a family to come along. The forces of political correctness declared interracial adoptions the equivalent of cultural genocide. This was, and continues to be, nonsense.

Sound social science research has found that interracial adoptions do not hurt the children or deprive them of their culture. According to Dr. Howard Alstein, who has studied 204 interracial adoptions since 1972, ''We categorically have not found that white parents cannot prepare black kids culturally.'' He further concluded that ''there are bumps along the way, but the transracial adoptees in our study are not angry, racially confused people'' and that ''They're happy and content adults.''

Since the mid-1970's, there have been very few interracial adoptions. For example, African-American children who constitute about 14 percent of the child population currently comprise over 40 percent of the 100,000 children waiting in foster care. This is despite 20 years of Federal efforts to recruit African-American adoptive families and substantial efforts by the African-American community. As stated by Harvard Law Prof. Randall Kennedy concerning the situation in Massachusetts, ''Even if you do a super job of recruiting, in a State where only 5 percent of the population is black and nearly half the kids in need of homes are black, you are going to have a problem.''

The bottom line is that African-American children wait twice as long as other children to be adopted. Our discriminatory adoption policies discouraging interracial adoptions are hurting these children, and this is entirely unacceptable.

Last year, Senator METZENBAUM attempted to remedy this problem by introducing the Multi-Cultural Placement Act of 1994. That bill was conceived and introduced with the best of intentions. Its stated purpose was to promote the best interests of children by decreasing the time that they wait to be adopted, preventing discrimination in their placement on the basis of race, color, or national origin, and facilitating the identification and recruitment of foster and adoptive families that can meet children's needs.

Unfortunately, the Metzenbaum bill was weakened throughout the legislative process and eviscerated by the Clinton administration Department and HHS in conference. After the original bill was hijacked, a letter was sent from over 50 of the most prominent law professors in the country, including Randall Kennedy, imploring Congress to reject the bill. They warned that it ''would give congressional backing to practices that have the effect of condemning large numbers of children—particularly children of color—to unnecessarily long stays in institutions or foster care.'' Their admonition was not heeded, and the bill was passed as part of the Goals 200 legislation last year.

As Senator METZENBAUM concluded, ''HHS intervened and did the bill great harm.'' The legislation that was finally signed by the President does precisely the opposite of what was originally intended. It allows race to continue to be used as a major consideration and effectively reinforces the current practice of racial matching. Consequently, adoption agencies receiving Federal funds continue to discourage interracial adoptions, increasing the time children must wait to be adopted and permitting discrimination in the adoption process. I am informed that 43 States have laws that in some way keep children in foster care due to race.

The bill that I am introducing today repeals the Metzenbaum law and replaces it with a clear unambiguous requirement that adoption agencies which receive Federal funds may not discriminate on the basis of race, color, or national origin. By far the most important consideration concerning adoptions must be that children are placed without delay in homes with loving parents, irrespective of their particular racial or ethnic characteristics. This overriding goal must take precedence over any unproven social theories or notions of political correctness.

Mr. President, if we owe children without families anything, we owe them the right to be adopted by families that want them without being impeded by our social prejudices and preconceptions. Denying adoption on the basis of race is no less discrimination than denying employment on the basis of race. And the consequences are certainly no less severe. Let us, finally get beyond race and allow people who need each other—children and familes—to get together.

Mr. President, I request unanimous consent that the text of the bill, and a letter of support from the National Council for Adoption, be included in the RECORD. As a result of the efforts of Congressman BUNNING, similar legislative language has been incorporated into the Personal Responsibility Act, H.R. 4.

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

S. 637

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 ''Adoption Antidiscrimination Act of 1995''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this Act is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

SEC. 3. REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(1) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(2) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(b) PENALTIES.—

(1) STATE VIOLATORS.—A State that violates subsection (a) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(2) PRIVATE VIOLATORS.—Any other entity that violates subsection (a) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the period of the violation by a State from funds provided under part E of title IV of the Social Security Act.

(c) PRIVATE CAUSE OF ACTION.—

(1) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of subsection (a) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(2) STATUTE OF LIMITATIONS.—An action under this subsection may not be brought more than 2 years after the date the alleged violation occurred.

(d) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(e) STATE IMMUNITY.—A State shall not be immune under the 11th amendment to the Constitution from an action in Federal or State court of appropriate jurisdiction for a violation of this Act.

(f) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

SEC. 4. REPEAL.

Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 as section 551.

SEC. 5. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall take effect 90 days after the date of enactment of this Act.

NATIONAL COUNCIL FOR ADOPTION,
Washington, DC, March 23, 1995.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: The National Council For Adoption is very supportive of your proposed legislation to end racism in our child welfare system. The research on transracial adoptions shows that:

Children of color wait twice as long as white children for permanent loving homes simply because of the color of their skin.

While African-Americans make up to 12–14 percent of the population an overwhelming 40 percent of the estimated 100,000 children waiting for homes are black. The numbers don't match.

Children of color raised in white homes are not ''lost'' to their ethnic heritage, they do well academically, feel good about themselves and become productive citizens.

The Multi-Ethnic Placement Act of 1994 ought to be repealed as the legislative language and its purposes were hopelessly hijacked by amendments insisted upon by the Administration.

We applaud your interest and your proposed legislation which is aimed at reducing the time children of color spend without homes. We stand ready to work closely with you to ensure timely passage.

Sincerely,

CAROL STATUTO BEVAN, Ed.D.,
Vice President for Research and Public Policy.●

By Mr. MURKOWSKI (by request):

S. 638. A bill to authorize appropriations for United States insular areas, and for other purposes; to the Committee on Energy and Natural Resources.

THE INSULAR DEVELOPMENT ACT

● Mr. MURKOWSKI. Mr. President. At the request of the administration, I am today introducing legislation ''to authorize appropriations for United States insular areas, and for other purposes''. The legislation was transmitted by the Assistant Secretary of the Interior for Territorial and International Affairs to implement the funding recommendations contained in the President's proposed budget for fiscal year 1996. The legislation, if enacted, would replace the current annual guaranteed funding for the Commonwealth of the Northern Mariana Islands with a new program. The new program would complete the infrastructure funding contemplated under the agreement negotiated by the administration with the Commonwealth and redirect the balance of the funds to other territorial needs.

For the current fiscal year, Congress redirected a portion of the Commonwealth funding to support of efforts by the Departments of Justice, Labor, and the Treasury to work with the Commonwealth government to address a variety of concerns that have arisen in the Commonwealth. A report on that effort is due from the Department of the Interior shortly, and we will want to consider the findings and recommendations in that report to determine whether some of these funds might be better spent in support of those activities. I am also concerned with that provision of the proposed legislation that would provide operational grants to Guam and the Commonwealth for compact impact assistance. I do not have any particular objections to providing that assistance if it is justified, if the budget limitations allow funding, and if that assistance is a higher priority than other needs. My concern is providing that assistance through an entitlement rather than through discretionary appropriations. The central objective of the current 7 year agreement with the Commonwealth is to eliminate operational assistance and focus on necessary infrastructure needs. Replacing one type of operational assistance with another seems to me to be a step back.

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

S. 638

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 Insular Development Act of 1995.

SEC. 2. NORTHERN MARIANA ISLANDS.

There is authorized to be appropriated to the Secretary of the Interior for the Commonwealth of the Northern Mariana Islands $6,140,000, backed by the full faith and credit of the United States, for each of fiscal years 1996 through 2001, for capital improvement projects in the environmental, health, and public safety areas, administration and enforcement of immigration and labor laws, and contribution toward costs of the compacts of free association (for the same duration and purposes as are applied to Guam in Public Law 99–239 as amended by section 3 of this Act).

SEC. 3. IMPACT OF THE COMPACT.

(a) Paragraph (6) of subsection (e) of section 104 of Public Law 99–239 (99 Stat. 1770, 48 U.S.C. 1681 note), is amended by striking everything after the word ''after'' and inserting in lieu thereof the following language: ''September 30, 1995 and ending September 30, 2001, $4,580,000 annually, backed by the full faith and credit of the United States, for Guam, as a contribution toward costs that result from increased demands for education and social program benefits by immigrants from the Marshall Islands, the Federated States of Micronesia, and Palau.''

SEC. 4. CAPITAL INFRASTRUCTURE.

There is authorized to be appropriated to the Secretary of the Interior $17,000,000 for each fiscal year beginning after September 30, 1995 and ending September 30, 2001, backed by the full faith and credit of the United States, for grants for capital infrastructure construction in American Samoa, Guam, and the United States Virgin Islands, *Provided*, That the annual grant to American Samoa shall not exceed $15,000,000 and the annual grants for Guam and the United States Virgin Islands shall not exceed $3,000,000 each.

SEC. 5. CAPITAL INFRASTRUCTURE FUNDING REQUIREMENTS.

(a) No funds shall be granted under this Act for capital improvement projects without the submission by the respective government of a master plan of capital needs that (1) ranks proposed projects in order of priority, and (2) has been reviewed and approved by the Department of the Interior and the United States Army Corps of Engineers. The insular areas' individual master plans, with comments, shall be presented in the Department of the Interior's annual report on the State of the Islands, and shall be the basis for any requests for capital improvement funding through the Department of the Interior or the Congress.

(b) Each grant by the Department of the Interior shall include a five percent payment into a trust fund, to be administered by the Governor (as trustee) of the territory in which the project is located, solely for the maintenance of such project. No funds shall be paid pursuant to a grant under subsection (a) of this section without the prior appropriation and payment by the respective territorial government to the trustee, of an amount equal to the federal contribution for maintenance of the project. A maintenance plan covering the anticipated life of each project shall be adopted by the Governor of the respective insular area and approved by the Department of the Interior before any grant payment for construction is released by the Department of the Interior.

(c) The capital infrastructure funding authorized under this Act is authorized to be extended for an additional three-year phaseout period: *Provided*, That each grant during the additional period contains a dollar sharing by each grantee and the grantor in the following ratios: twenty-five/seventy-five percent for the first year, fifty/fifty percent for the second year, seventy-five/twenty-five percent for the third year; *Provided further*, That funding for capital infrastructure for the Commonwealth of the Northern Mariana Islands shall not exceed $3,000,000 annually during the period of such extension.

SEC. 6. REPEAL.

Effective after September 30, 1995, no additional funds shall be made available under subsection (b) of section 4 of Public Law 94–241 (90 Stat. 263, 48 U.S.C. 1681 note), and such subsection is repealed.

SECTION-BY-SECTION ANALYSIS

Section 1 states the short title of the Act to be the ''Insular Development Act of 1995.''

Section 2 authorizes a full faith and credit appropriation in an annual amount of $6.14 million for fiscal years 1996 through 2001 to the Secretary of the Interior for Commonwealth of the Northern Mariana Islands (CNMI) devoted to the following purposes: (1) capital improvement projects in environmental, health, and public safety areas, (2) administration and enforcement of immigration and labor laws, and (3) contribution toward costs of the compacts of free association incurred by the CNMI.

Section 3 amends the law authorizing payments to United States Pacific jurisdictions for costs associated with the compacts of free association to provide a specific $4.58 million annual full faith and credit payment to Guam as a contribution toward such costs incurred by Guam.

Section 4 authorizes a full faith and credit appropriation in the annual amount of $17 million for fiscal years 1996 through 2001 to the Secretary of the Interior for capital infrastructure construction in American Samoa, Guam, and the Virgin Islands. The insular area with the greatest need, American Samoa, would receive annual grants of between $11 million and $15 million; Guam and the Virgin Islands would each receive annual grants of up to $3 million.

Section 5(a) provides that capital infrastructure funds granted under sections 2, 4, and 5 of the bill would be subject to master plans developed by the respective government that rank projects in priority order.

The plans would be subject to review and approval by the Department of the Interior and United States Army Corps of Engineers.

Section 5(b) provides that five percent of each Interior grant for capital infrastructure and a matching amount by the respective insular government be paid into trust funds solely for expenditure on maintenance of each project, according to a maintenance plan approved by Interior. The respective insular governor would be the trustee.

Section 5(c) provides for extension of only the capital infrastructure program, authorized in section 4, for an additional three-year phase-out period. The federal share of construction grants would decrease to seventy-five percent in the first year, fifty percent in the second year, and twenty-five percent in the third year, before termination of the program.

Section 6, repeals subsection (b) of section 4 of Public Law 94–241 (which mandates continuing payments of $27.7 million to the Commonwealth of the Northern Mariana Islands until otherwise provided by law). The provision explicitly states that no additional funds shall be made available under this subsection of the 1976 law after fiscal year 1995.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, DC, February 27, 1995.

Hon. ALBERT GORE,
President, U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill ''(t)o authorize appropriations for United States insular areas, and for other purposes.''

The Department of the Interior recommends that the bill be introduced, referred to the appropriate committee, and enacted.

The bill would terminate the mandatory financial assistance paid to the Commonwealth of the Northern Mariana Islands (CNMI) and shift such mandatory assistance to more pressing territorial needs, i.e., contribution to Guam and the CNMI for impact of immigration caused by the Compacts of Free Association, and capital infrastructure construction. The bill would follow-through on a commitment by the Congress to contribute to the defraying of impact costs incurred by Guam and the CNMI, and would represent a commitment to the territories by President Clinton and the Congress to address the territories' most pressing capital infrastructure needs. The draft bill is consistent with the budgetary requirements under ''Paygo.''

The Covenant to Establish the Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Covenant) committed the federal government to mandatory funding for the CNMI for a period of seven years—1979 through 1985. A total of $228 million in full faith and credit funding for a subsequent seven-year period was approved by the Congress in legislation (Pub. L. 99–396, 100 Stat. 840) that provided—

''(u)pon the expiration of the period of Federal financial assistance . . ., payments of direct grant assistance shall continue at the annual level provided for the last fiscal year of the additional period of seven fiscal years until Congress otherwise provides by law.''

Congress has not over the last two years approved a third and final financial assistance agreement, nor acted on Administration proposals transmitted with the 1994 and 1995 budgets.

With no additional provisions of law by the Congress, however, the CNMI continues to receive $27.7 million annually as it did in fiscal year 1992, the final year of the second seven-year period.

PROVISIONS OF THE DRAFT BILL

The draft bill addresses specific concerns shared by the Congress, the Administration and the insular areas.

CNMI

The bill would authorize $6,140,000 a year for the Commonwealth of the Northern Mariana Islands through the year 2001 for the purposes of capital improvement projects, administration and enforcement of immigration and labor laws, and contribution to costs of the compacts of free association. Flexibility would be accorded the CNMI in allocating the funding among such purposes. If authorized, the CNMI will have received a total of $120 million during the period of fiscal years 1993 through 2001—the equivalent of the 1992 agreement reached with the CNMI representatives.

The bill would shift remaining mandatory funding to other priority insular needs, i.e., territorial infrastructure needs, and the congressional commitment to reimburse United States jurisdictions for the impact of the compacts of free association.

Guam

When the Compact of Free Association for the Marshall Islands and the Federated States of Micronesia was approved by the Congress, section 104(e)(6) of the Public Law 99–239 authorized the payment of impact of the Compact costs incurred by United States Pacific island jurisdictions due to the extension of education and social services to immigrants from the freely associated states. The Palau Compact legislation (Public Law 99–658) included Palau by reference. The Governments of Guam and the CNMI contend that they have incurred costs in excess of $75 million. While definitions of eligible costs and the magnitude of the costs may be in question, all agree that Guam and the CNMI have sustained substantial expenses due to the Compact. With the implementation of the Palau Compact, which occurred on October 1, 1994, we anticipate that the problem will be compounded. Under the draft bill, funds to defray costs for the CNMI would be a part of the CNMI authorization contained in section 2 of the draft bill. Annual payments of $4.58 million for Guam would help defray Guam's expenses. The contributions would cease at the end of the Compact period, September 30, 2001.

Capital infrastructure

The remaining $17 million in mandatory funding would be redirected to pressing capital infrastructure needs in American Samoa, Guam and the Virgin Islands for a minimum period of six years. American Samoa has unfunded capital infrastructure needs well in excess of $100 million. Guam and the Virgin Islands have substantial needs in the environmental, health, and public safety areas.

The draft bill would give recognition to the fact that of the four small United States territories, American Samoa has the greatest need for capital infrastructure, but lacks resources for financing construction.

The bill would allow American Samoa to receive up to $15 million annually for capital infrastructure projects. Guam and the United States Virgin Islands would receive up to $3 million annually for capital infrastructure projects related to the environment, health, and public safety.

Capital infrastructure funds would be released only after an insular area—

Develops a capital infrastructure master plan approved by the Department of the Interior and the United States Army Corps of Engineers, and

Contributes five percent of the project cost to a maintenance fund for the project to be expended according to the project's maintenance plan.

Phase out

After the initial six years of mandatory funding, the program may be extended for an additional three-year, phase-out period, with grantee/federal sharing as follows: 25/75 percent in the first year, 50/50 percent in the second year, and 75/25 percent in the third year. Because section 2 of the draft bill which includes capital infrastructure funding for the Northern Mariana Islands will terminate at the end of the fiscal year 2001, the Northern Mariana Islands would participate in the phase-out years of the capital infrastructure program in annual amounts up to $3 million, like Guam and the Virgin Islands.

The proposed bill would have no negative effect on the Federal budget and meets ''Paygo'' requirements by shifting the purpose of existing mandatory funding. Discretionary savings would result by shifting existing discretionary infrastructure funding for the purposes identified in the bill to this proposed replacement program.

The Office of Management and Budget advises that there is no objection to presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

LESLIE M. TURNER,
Assistant Secretary, Territorial and International Affairs.●

By Mr. CAMPBELL (for himself and Mr. JOHNSTON):

S. 639. A bill to provide for the disposition of locatable minerals on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

THE LOCATABLE MINERAL MINING REFORM ACT OF 1995

● Mr. JOHNSTON. Mr. President, I am pleased to join my colleague from Colorado, Senator CAMPBELL, as a cosponsor of this legislation and I commend him for his leadership in this area. As a member of the Energy and Natural Resources Committee, the Senator has been very active in working for a mining law reform bill that will make needed reforms, get this issue behind us, and give the mining industry some certainty.

The bill we are introducing today, with one exception, is very similar to the so-called 8–2 chairman's mark which we crafted last summer during the House-Senate conference on mining law reform. While we were not able to enact this proposal, I think it embodied a balanced and middle ground approach to most of the key issues involved in this controversy. Frankly, I believe this bill represents a better starting point for our deliberations this year than either of the other proposals currently before the committee. Some may feel this bill goes too far in some areas; others may think it does not go far enough in addressing certain issues. While I am certain that this bill will undergo some changes, I think the measure Senator CAMPBELL and I are proposing will provide a vehicle which will facilitate the enactment of a mining law reform bill this year.

The one significant difference between this bill and last year's chairman's mark is in the area of State

water rights. Senator CAMPBELL has replaced the water provisions of last summer's bill with language which protects the ability of the States to make decisions regarding water quality and quantity consistent with existing State and Federal law. Certainly the water issue was one of the most contentious issues we dealt with last year, and I am sure it will be again.

Mr. President, I look forward to working with Senator CAMPBELL, as well as Senator CRAIG and Senator BUMPERS, to confect a bill that can pass both the Senate and the House and that the President will sign.●

By Mr. WARNER (for himself, Mr. CHAFEE, Mr. REID, Mr. BOND, Mr. GRAHAM, and Mr. MCCONNELL):

S. 640. A bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; to the Committee on Environment and Public Works.

THE WATER RESOURCES DEVELOPMENT ACT OF 1995

Mr. WARNER. Mr. President, I am pleased to introduce today, along with my colleagues, Senator CHAFEE, Senator REID, Senator MCCONNELL, Senator BOND, and Senator GRAHAM, the Water Resources Development Act of 1995.

This legislation authorizes civil works programs for the U.S. Army Corps of Engineers which preserves the navigation of our harbors and channels so critical to the shipping of agricultural products and industrial goods. It also provides for flood control and storm damage reduction essential to protecting lives and property.

Mr. President, since 1986, when the Congress established the landmark principles for non-Federal cost-sharing of water resource projects, the authorization of the Corps of Engineers civil works programs has occurred on a biennial basis.

This 2-year authorization cycle has provided our local partners in water resources development a level of continuity which has aided their planning and budgeting needs.

Unfortunately, this 2-year cycle was broken by Congress last year when we failed to enact this legislation.

I believe my colleagues will find this bill to be a modest reauthorization proposal that maintains the uniform requirements of cost-sharing between the Federal Government and non-Federal project sponsors.

This legislation responds to water resource needs that are in the Federal interest and meet the benefit to cost ratio of 1 to 1. This means that for every Federal dollar invested in a project, the taxpayer receives more than a dollar in benefits in return.

Mr. President, this legislation also funds projects consistent with the requirements of current law. I must state that I do not support the recommendations contained in the President's fiscal year 1996 budget submittal to terminate Federal participation in local flood control and hurricane protection because I believe that there is significant justification for continuing an appropriate level of Federal funding for these projects.

Yes, the Corps of Engineers, like all Federal agencies, must achieve significant reductions in its budget. In Congress, we must give close scrutiny to water resource needs to determine if Federal funding is warranted under severe budget constraints. We must not, however, unwisely and abruptly abandon the corps' central mission: to protect lives and property.

Such a policy may only serve to shift costs to other Federal agencies and departments. We must recognize that there will always be unforeseen circumstances, times of national emergency, or situations too costly for economically strapped communities to handle expensive projects by themselves.

Mr. President, since I was first elected to the Senate in 1979, and for the following 7 years, I sponsored legislation in each Congress to provide for the deepening and maintenance of our deep-draft ports. Developing a strong partnership with our non-Federal sponsors through cost-sharing was the cornerstone of my legislation.

During the years, since 1976, the Congress and the executive branch had been gridlocked over the financing of water resource projects. Also at that time, global demand for steam coal skyrocketed. But, our ports could not respond to this world demand. In Hampton Roads Harbor, colliers were lined up in the Chesapeake Bay to enter the coal terminals. Upon loading, they would wait for high tide to leave the harbor.

The 1986 Water Resources Development Act [WRDA] was the culmination of our efforts to resolve many contentious issues—including cost-sharing.

I remain committed to the principle of cost-sharing which has become the cornerstone of a successful corps program. As intended, it has ensured that only those projects with strong local support are funded and it has leveraged substantial non-Federal money. Since the enactment of WRDA 1986, funding for Virginia projects has totalled $590 million in Federal funds which has stimulated more than $343 million in non-Federal money.

It was no easy task to devise reasonably fair cost-sharing formulas which were mindful of the difficulty of small communities to contribute to the costs of constructing flood control projects, of our coastal communities to receive credit for the value of property to be protected from hurricanes and of our commercial ports and inland waterways to remain competitive in a shrinking global marketplace.

WRDA 1986 has worked well in three major respects. First, by requiring our local partners to share these costs, it has succeeded in ensuring that the most worthy projects receive Federal funding. Second, it has ensured that our commercial ports and inland waterways remain open for commercial traffic and are now able to serve the larger bulk cargo ships, including the super coal colliers. Third, it has allowed the United States to meet our national security commitments abroad.

Mr. President, these principles remain valid today as we judge those projects which will provide the greatest return for our investment of limited Federal dollars. For these reasons, it is appropriate that Congress continue the Corps' fundamental missions of navigation, flood control, floodplain management, and storm damage reduction.

Mr. CHAFEE. Mr. President, I am pleased to join with Senator JOHN WARNER and others in cosponsoring legislation to reauthorize the civil works program at the U.S. Army Corps of Engineers. With the exception of 1994, the Congress has authorized this necessary infrastructure program on a biennial basis since 1986.

WRDA 1986

As many in the Senate are aware, the 1970's and early 1980's brought a departure from the previous practice of approving omnibus authorization bills and predictable appropriations for the construction of water resources projects. In 1986, however, we broke the logjam. After years of legislative and executive policy confrontations over the role of the Federal Government in water policy, Congress approved the Water Resources Development Act of 1986. The legislation is often referred to as WRDA.

The 1986 Act was landmark legislation because we finally instituted a reasonable framework for local cost-sharing of Army Corps' projects and feasibility studies. This was a huge step in the right direction. I helped author those cost-sharing provisions because there was a real need to recognize our limited Federal resources and the financial responsibility of local project sponsors.

COST SHARING

In establishing cost-sharing formulas for these projects and studies, the Congress accomplished at least two important objectives. First, by reducing the Federal contribution toward individual projects, we have been able to use roughly the same level of total Federal funding for many additional proposals which, despite their particular merit, had previously gone by the wayside without full Federal funding.

Second, by requiring a local match, we have brought the locally affected parties into the decisionmaking process. Even though improvements are still necessary on that score, I think it is fair to say that our State and local

partners have much greater input than they once did.

BUDGET REDUCTION

Now we face a period of even greater fiscal austerity. In an effort to find spending reductions in the out years, the administration has proposed to significantly reduce Federal involvement in the construction of new flood control and coastal storm protection projects. Also being discussed are plans to phase out the Federal maintenance of harbors and ports which do not contribute to the harbor maintenance trust fund.

Perhaps such dramatic change is necessary if we are to reverse the trend of debt spending in Washington. Perhaps this sort of reduction in Federal involvement is exactly what the voters called for last November. I happen to believe that a need still exists for Federal involvement in some of these areas. The interstate nature of flooding warrants Federal coordination and assistance.

Yet, spending reductions must be made. As in 1986, we are being called upon to make tough choices in the effort to define the appropriate Federal role for construction and management of water-related resources.

WRDA 1995

I believe that Senator WARNER has struck a careful balance in the legislation he is proposing today. This bill is cost conscious. Preliminary estimates conducted by the Congressional Budget Office score the authorization level of this measure at less than 50 percent of the nearly $3 billion authorized by WRDA 1992. Even though significant cost and scope reductions are made here—we still authorize a broad mix of navigation, flood control, shoreline protection, and environmental restoration projects and studies.

While the administration has every right to propose long-term savings through broad, overarching policy shifts and program phase-outs, I am convinced that we can achieve more significant and equitable spending reductions through the authorization process.

I am grateful that Senator WARNER has taken the lead this year on water resources reauthorization. Mr. President, with his direction and with the cooperation of colleagues, I am confident that we will see passage of this bill this year.

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, Mr. HATCH, Mr. JEFFORDS, Mr. FRIST, Mr. PELL, Mr. DODD, Mr. COATS, and Mr. SIMON):

S. 641. A bill to reauthorize the Ryan White CARE Act of 1990, and for other purposes; to the Committee on Labor and Human Resources.

THE RYAN WHITE CARE REAUTHORIZATION ACT OF 1995

• Mrs. KASSEBAUM. Mr. President, on behalf of myself and Senators KENNEDY, HATCH, PELL, JEFFORDS, FRIST, DODD, COATS, and SIMON, I introduce the Ryan White CARE Reauthorization Act of 1995.

The CARE Act has played a critical role in improving the quality and availability of medical and support services for individuals with HIV disease and AIDS. The most significant assistance under this act is provided through titles I and II. Title I provides emergency relief grants to cities disproportionately affected by the HIV epidemic. Title II provides formula grants to States and territories to improve the quality, availability, and organization of health care and support services.

As the HIV epidemic continues, the need for this important legislation remains. There is a need as well to modify its provisions to take into account the changing face of the HIV epidemic since the CARE Act was first enacted in 1990. Once primarily a coastal urban area problem, the HIV epidemic now reaches the smallest and most rural areas of this country. In addition, minorities, women, and children are increasingly affected.

This reauthorization bill builds on the successful four-title structure of the current CARE Act and includes many important improvements. Chief among these are changes in the funding formulas which would ensure greater funding equity and which provide a single appropriation for titles I and II.

The General Accounting Office [GAO] has identified large disparities and inequities in the current distribution of CARE Act funding. This legislation, developed with GAO input, authorizes equity formulas for titles I and II based on an estimation of the number of individuals currently living with AIDS and the costs of providing services. In addition, the new title II formula includes an adjustment to offset the double-counting of individuals by States, when such States also include title I cities.

The purpose of these changes is to assure a more equitable allocation of funding, based on where people with the illness are currently living. With any formula change, there is always the concern about the potential for disruption of services to individuals now receiving them. To address this concern, the bill maintains home-harmless floors designed to assure that no entity receives less than 92.5 percent of its 1995 allocation over the next 5 years.

In an effort to target resources to the areas in greatest need of assistance, the bill also limits the addition of new title I cities to the program. Beginning in fiscal year 1998, current provisions which establish eligibility for areas with a cumulative AIDS caseload in excess of 2,000 will be replaced with provisions offering eligibility only when over 2,000 cases emerge within a 5-year period.

The legislation makes a number of other important modifications:

First, it moves the Special Projects of National Significance Program to a new title V, funded by a 3-percent set-aside from each of the other four titles. In addition, it adds Native American communities to the current list of entities eligible for projects of national significance.

Second, it creates a statewide coordination and planning process to improve coordination of services, including services in title I cities and title II States.

Third, it extends the administrative expense caps for title I and II to subcontractors.

Fourth, it authorizes guidelines for a minimum State drug formulary.

Fifth, it modifies representation on the title I planning councils to more accurately reflect the demographics of the HIV epidemic in the eligible area.

Sixth, for the title I supplemental grants, a priority is established for eligible areas with the greatest prevalence of comorbid conditions, such as tuberculosis, which indicate a more severe need.

I believe that the changes proposed by this legislation will assure the continued effectiveness of the Ryan White CARE Act by maintaining its successful components and by strengthening its ability to meet emerging challenges. Putting together this legislation has involved the time and commitment of a wide variety of individuals and organizations. I want to acknowledge all of their efforts, and I particularly appreciate the constructive and cooperative approach which Senator KENNEDY has lent to the development of this legislation. It is my hope that the Senate can act promptly in approving this measure. I ask unanimous consent a summary of this bill be made a part of the RECORD.

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

SUMMARY OF THE REAUTHORIZATION ACT

1. The current four-title structure of the Ryan White CARE Act is maintained.

Title I: Provides emergency relief grants to eligible metropolitan areas (EMAs) disproportionately affected by the HIV epidemic. One-half of the Title I funds are distributed by formula; the remaining one-half is distributed competitively.

Title II: Provides grants to states and territories to improve the quality, availability, and organization of health care and support services for individuals with HIV disease and their families. The funds are used: to provide medical support services for individuals who are not included in the Title I areas; to continue insurance payments; to provide home care services; and to purchase medications necessary for the care of these individuals. Funding for Title II is distributed by formula.

Title III(b): Supports early intervention services on an out-patient basis—including counseling, testing, referrals, and clinical, diagnostic, and other therapeutic services. This funding is distributed by competitive grants.

Title IV: Provides grants for research and services for pediatric patients.

2. A single appropriation for Title I grants to eligible metropolitan areas and Title II grants to states is authorized for fiscal year 1996.

A single appropriation should help unify the interest of grantees in assuring funding

for all individuals living with AIDS, regardless of whether they live in EMAs or states.

The appropriation is divided between the two titles based on the ratio of fiscal year 1995 appropriations for each title. Sixty-four percent is designated for Title I. The Secretary is authorized to develop and implement a method to adjust the distribution of funding for Title I and Title II to account for new Title I cities and other relevant factors for fiscal year 1997 through fiscal year 2000. If the Secretary does not implement such a method, separate appropriations for titles I and II are authorized, beginning in fiscal year 1997 and extending through fiscal year 2000.

3. Equity formulas are authorized for Titles I and II based on an estimation of the number of individuals living with AIDS and the costs of providing services.

The present distribution formulas have led to disparity in funding for individuals living with AIDS based on where they live. This is due to: a caseload measure which is cumulative, the absence of any measure of service costs, and the counting of EMA cases by both the Titles I and II formulas.

The equity formulas will include an estimate of living cases of AIDS. This estimate is calculated by applying a different weight to each year of cases reported to the Centers for Disease Control and Prevention over the most recent ten-year period. A cost index is determined by using the average Medicare hospital wage index for the three-year period immediately preceding the grant award. Over a five-year period, hold-harmless floors for the formulas are provided in order to assure that no entity receives less than 92.5 percent of its 1995 allocation. The phase-in is provided to avoid disruption of services to beneficiaries, while still allowing for the redistribution of funds.

4. The addition of new Title I cities will be limited.

The current designation criteria for Title I cities was developed to target emergency areas. Five years after the initial enactment of the Ryan White CARE Act, the epidemic persists. However, the needs have changed from emergency relief to maintenance of existing efforts. In addition, Title II funding has been used to develop infrastructure in large metropolitan areas, decreasing the relative need for emergency Title I funding.

However, to allow for true future emergencies, the Title I definition is refined to include only those areas which have a population of at least 500,000 individuals and a cumulative total of more than 2,000 cases of AIDS in the preceding five years. This requirement will not apply to any area that is deemed eligible before fiscal year 1998.

5. A priority for the Title I supplementary grants is established.

The severity of illness has a major impact on the delivery of services. The reauthorization establishes a priority for the distribution of funds which accounts for co-morbid conditions as indicators of more severe HIV-disease. Such conditions include sexually transmitted diseases, substance abuse, tuberculosis, severe mental illness, and homelessness.

6. The Special Projects of National Significance (SPNS) and the AIDS Education and Training Centers are included in a new Title V.

Currently, SPNS is part of Title II and is funded by a 10 percent Title II set-aside. The reauthorization bill provides that the SPNS program will receive a 3 percent set-aside from each of the other four titles. The SPNS project will address the needs of special populations, assist in the development of essential community-based service infrastructure, and ensure the availability of services for Native American communities.

The AIDS Education and Training Centers program is transferred from federal health professions education legislation. This program provides funding for the training of health personnel in the diagnosis, treatment, and prevention of HIV disease. Its purpose is to assure the availability of a cadre of trained individuals for the CARE Act programs.

7. A statewide coordination and planning process is created to improve coordination of services, including services in Title I cities and Title II states.

8. Representation on the Title I planning councils is changed to more accurately reflect the demographics of the HIV epidemic.

9. Guidelines for a minimum state drug formulary are authorized.

Therapeutics improve the quality of life of patients with HIV disease and minimize the need for costly inpatient medical care. The medical state of the art is constantly changing. The guidelines will help states to keep abreast of these changes and to develop a drug formulary which is composed of available Food and Drug Administration approved therapies.

10. Administrative caps for Titles I and II are extended to contractors and subcontractors.

Administrative costs for grantees and subcontractors are tightly defined and limited. This limitation will ensure monies are utilized to provide services for people living with AIDS rather than subsidizing excessive administrative expenses.

BACKGROUND ON THE AIDS EPIDEMIC

1. The HIV epidemic continues to be a national problem:

The number of AIDS cases has increased to 441,000; one-fifth of the new cases occurred in 1994.

AIDS is now the leading cause of death for all Americans between the ages of 25 to 44.

Cases are distributed across the United States—with only relative sparing of a few Northern Plains and Mountain states.

2. Trends:

The Northeast incidence is higher for the injecting drug user than for other populations.

The Southern region cases remain primarily among the gay male population.

The proportion of the epidemic among gay males in the Midwest and the West has stabilized.

The heterosexual AIDS epidemic is increasing dramatically.

Heterosexual transmission is now the leading cause of AIDS in women.

The highest concentration of infected women is in the coastal Northeast, the mid-atlantic, and the Southeast.

Cases in the Northeast remain primarily within urban centers, while cases in the Southeast are more likely to be located in small towns and cities.

3. Minorities:

Blacks and latinos comprise nearly 75 percent of all women infected.

The rates of infection for black women range from 7 to 27 times higher than the rates for caucasian women.

4. Adolescents:

Adolescents have the fastest growing rate of infection.

The rates of infection among adolescents are similar among women and men, but the rates are the highest among blacks.●

Mr. KENNEDY. Mr. President, it is a privilege to join Senator KASSEBAUM in introducing the Ryan White CARE Reauthorization Act of 1995.

For 15 years, America has been struggling with the devastating effects of AIDS. More than a million citizens are infected with the AIDS virus. AIDS itself has now become the leading killer of young Americans ages 25 to 44. AIDS is killing brothers and sisters, children and parents, friends and loved ones—all in the prime of their lives.

More than 400,000 Americans have been diagnosed with AIDS. Over half have already died—and yet the epidemic marches on unabated.

As the crisis continues year after year, it has become more and more difficult for anyone to claim that AIDS is someone else's problem.

The epidemic has cost the Nation immeasurable talent and energy in young and promising lives struck down long before their time. We must do better to provide care and support for those caught in the epidemic's path. And with this legislation, we will.

Five years ago, in the name of Ryan White and all the other Americans who had lost their battle against AIDS, Congress passed and President Bush signed into law the Comprehensive AIDS Resources Emergency Act.

Since then, the CARE Act has been a model of bipartisan cooperation and effective Federal leadership. Today that bipartisan tradition continues.

The CARE Act provides emergency relief for cities hardest hit by the AIDS epidemic, and additional funding for all States to provide health care, early intervention, and support services for individuals and families with HIV disease in both urban and rural areas.

In Boston, the CARE Act has led to dramatically increased access to essential services. This year, because of Ryan White, 15,000 individuals are receiving primary care, 8,000 are receiving dental care, and 9,000 are receiving mental health services. An additional 700 are receiving case management services and nutrition supplements. This assistance is reducing hospitalizations, and is making an extraordinary difference in people's lives.

While much has changed since 1990, the brutality of the epidemic remains the same. When the act first took effect, only 16 cities qualified for ''emergency relief.'' In the past 5 years, that number has more than tripled—and by next year it will have quadrupled.

This crisis is not limited to major urban centers. Caseloads are now growing in small towns and rural communities, along the coasts and in America's heartland. From Weymouth to Wichita, no community will avoid the epidemic's reach.

We are literally fighting for the lives of hundreds of thousands of our fellow citizens. These realities challenge us to move forward together in the best interest of all people living with HIV. And that is what Senator KASSEBAUM and I have attempted to do.

The compromise in this legislation acknowledges that the HIV epidemic has expanded its reach but we have not forgotten its roots. While new faces and new places are now affected, the epidemic rages on in the areas of the country hit hardest and longest.

The pain and suffering of individuals and families with HIV is real, widespread, and growing. All community-based organizations, cities, and States need additional support from the Federal Government to meet the needs of those they serve.

The revised formulas in this legislation will make these desperately needed resources available based on the relative number of people living with HIV disease—and the relative cost of providing these essential services.

The new formula will increase the medical care and the support services available to individuals with HIV in many cities, including Boston, Los Angeles, Philadelphia, and Seattle, and in many States.

Equally important, the compromise will ensure the ongoing stability of the existing AIDS care system in areas of the country with the greatest incidence of AIDS. The HIV epidemic in New York, San Francisco, Miami, and Newark is far from over—and in many ways, the worst is yet to come.

This legislation represents a compromise, and like most compromises, it is not perfect and it will not please everyone. But on balance—it is a good bill—and its enactment will benefit all people living with HIV everywhere in the Nation. We have sought common ground. We have listened to those on the frontlines. We have attempted to support their efforts, not tie their hands.

Congress and the AIDS community must put aside political, geographic, and institutional differences to face this important challenge squarely and successfully. The structure of the CARE Act—affirmed in this reauthorization—provides a sound and solid foundation on which to build that unity.

Hundreds of health, social service, labor, and religious organizations helped to shape the act's provisions and have made its promise a reality. The act has been praised by Governors, mayors, county executives, and local and State AIDS directors and health officers. It has required all levels of government to join together in providing services and resources. And success stories of this coordination are now plentiful.

Community-based AIDS service organizations and people living with HIV have had critically important roles in the development and implementation of humane and cost-effective service delivery networks responsive to local needs.

Although the resources fall far short of meeting the growing need, the act is working. It has provided life-saving care and support for hundreds of thousands of individuals and families affected by HIV and AIDS. Through its unique structure, it has quickly and efficiently directed assistance to those who need it most.

The Ryan White CARE Reauthorization Act, however, is about more than Federal funds and health care services. It is also about caring and the American tradition of reaching out to people who are suffering and in need of help. Ryan White would be proud of what has happened in his name. His example, and the hard work of so many others, are bringing help and hope to our American family with AIDS. I urge my colleagues to support this vital initiative.

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 642. A bill to provide for demonstration projects in six States to establish or improve a system of assured minimum child support payments, and for other purposes; to the Committee on Finance.

THE CHILD SUPPORT ASSURANCE ACT OF 1995

● Mr. DODD. Mr. President, I reintroduce a piece of legislation whose subject should be central to our debate over welfare reform. I say this because the Child Support Assurance Act of 1995 promotes work, family, self-sufficiency, and personal responsibility. At the same time, it seeks to put a stop to one of the principal causes of child poverty in this country, lack of financial support from absent parents. I am delighted to be joined in this effort by my colleague from West Virginia, Senator ROCKEFELLER, who has long been a champion of children's causes and this concept in particular.

WELFARE REFORM, WELFARE PREVENTION

I firmly believe we will not succeed in reforming welfare until we succeed in reforming child support. Of course, we need welfare reform that will encourage people to become self-sufficient and leave Government assistance. But just as important, we need welfare prevention policies to allow people to avoid welfare in the first place. We need to seriously ask ourselves, what can we as a nation do to support families in danger of sliding into poverty?

At or near the top of our list of answers should be putting some teeth and some assurances into our child support system. Lack of child support is one of the principal causes of poverty for one-parent families. The Census Bureau illustrated this fact when it estimated that between 1984 and 1986 approximately half a million children fell into poverty after their father left home.

In 1989 alone, the children and single parents of America were owed $5.1 billion in unpaid child support. If every single-parent family had an award and the awards were paid in full, it would mean $30 billion a year for the children of America. Can you imagine the difference it would make if our kids received the sums they are being cheated out of annually?

Connecticut is no different from any other State. Despite a child support enforcement system that ranks among the best in the Nation, its child support delinquencies now total nearly half a billion dollars. That is half a billion dollars in a State of only 3½ million people.

The clear connection between child support and welfare was illustrated during a hearing of the Subcommittee on Children I chaired in the last Congress. Geraldine Jensen testified about struggling as a single mother and receiving no help from her exhusband. She had to work 60 hours a week just to make ends meet. One day she realized her kids had gone from two parents to one parent when her husband left, and then from one parent to none when she had to take her second job. She was working so much that she had no time for her children.

So Ms. Jensen quit her jobs and went on AFDC. She finally collected the child support owed her 7 years later, and she was able to get back on her feet.

CHILD SUPPORT AND POVERTY

Unfortunately, the reality today is that there are far too many families out there like Ms. Jensen's. And far too many children are plunged into poverty when their parents do not live up to their responsibilities. The poverty rate for single-parent families headed by women is nearly 33 percent. This compares to a poverty rate of under 8 percent for two-parent families.

Why is the poverty rate so high for households led by single women? The primary reason is a lack of support from absent fathers—42 percent of single mothers do not even have child support orders for their children. For poor women, this figure is 57 percent. And even a child support order is no guarantee of support. In 1989, half of all mother-led families with child support orders received no support at all or less than the amount due.

We have known for some time now that our child support system needs a major overhaul. The Child Support Amendments of 1984 and the Family Support Act of 1988 made modest improvements. For every 100 child support cases in 1983, there were 15 in which there was a collection. In 1990, there were 18. Out of 100, 15 to 18 is a step in the right direction, but we clearly have a long, long way to go.

ENFORCEMENT AND ASSURANCE CRITICAL

As the Senate considers proposals for welfare reform, I suggest that putting teeth into our child support enforcement system is absolutely critical to the goal of moving people off welfare and into self-sufficiency.

It is time for us to stop this slide toward public assistance by insisting that parents meet the responsibilities they have for the children they bring into the world. The children of America will be the true winners of such a policy, but the taxpayers will also come out ahead because of reduced welfare expenditures. Toward this end, Senator BRADLEY, myself, and others have introduced a tough enforcement bill, supported by Members on both sides of the aisle.

The bill I am introducing today would take us further down the road

toward an effective child support system. It would create incentives for responsible behavior: incentives for custodial parents to seek child support orders, incentives for noncustodial parents to follow those orders, and incentives for States to make sure this whole process works. As a last resort, it would provide a minimum level of support for all children not living with both parents.

Right now, the poor children of America are the ones paying for the failings of our families and the failings of our child support system. It is my view that the welfare reform bill passed by the House of Representatives last week takes us further in the direction of punishing children. I strongly believe that welfare reform that does not try to prevent families from slipping into welfare dependency is doomed to failure.

RIGOROUS REQUIREMENTS

The child support assurance bill would authorize demonstration grants to six States for use in guaranteeing child support benefits. Participating States would have to meet a rigorous set of requirements. To qualify, States would already have to be doing a good job of collecting child support and would have to be at, or above, the national median for paternity establishment. And during the course of the grant, the State would have to show real, measurable improvement in paternity establishment, child support orders, and collections.

Just as the Child Support Assurance Act calls on participating States to meet their obligations, it would do the same for participating families. To qualify, the custodial parent would have to possess, or be seeking, a child support award or have a good reason not to.

We hope that this approach will serve as a model for the country. To test this proposition, the Department of Health and Human Services would conduct 3- and 5-year evaluations of the demonstration programs to gauge the effectiveness of the approach.

I hope my colleagues will join Senator ROCKEFELLER and me in supporting this legislation and demanding that we all meet our responsibilities to America's children.

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

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

S. 642

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Support Assurance Act of 1995''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the number of single-parent households has increased significantly;

(2) there is a high correlation between childhood poverty and growing up in a single-parent household;

(3) family dissolution often brings the economic consequence of a lower standard of living for the custodian and children;

(4) children are nearly twice as likely to be in poverty after a family dissolution as before a family dissolution;

(5) one-fourth of the single mothers who are owed child support receive none and another one-fourth of such mothers receive only partial child support payments;

(6) single mothers above and below the poverty line are equally likely to receive none of the child support they are owed; and

(7) the failure of children to receive an adequate level of child support limits the ability of such children to thrive and to develop their potential and leads to long-term societal costs in terms of health care, welfare, and loss in labor force productivity.

(b) PURPOSE.—It is the purpose of this Act to enable participating States to establish child support assurance systems in order to improve the economic circumstances of children who do not receive a minimum level of child support from the noncustodial parents of such children and to strengthen the establishment and enforcement of child support awards. The child support assurance approach is structured on a demonstration basis in order to implement and evaluate different options with respect to the provision of intensive support services and mechanisms for administering the program on a national basis.

SEC. 3. ESTABLISHMENT OF CHILD SUPPORT ASSURANCE DEMONSTRATION PROJECTS.

(a) IN GENERAL.—In order to encourage States to provide a guaranteed minimum level of child support for every eligible child not receiving such support, the Secretary of Health and Human Services (hereafter in this section referred to as the ''Secretary'') shall make grants to not more than 6 States to conduct demonstration projects for the purpose of establishing or improving a system of assured minimum child support payments in accordance with this section.

(b) CONTENTS OF APPLICATION.—An application for a grant under this section shall be submitted by the Chief Executive Officer of a State and shall—

(1) contain a description of the proposed child support assurance project to be established, implemented, or improved using amounts provided under this section, including the level of the assured benefit to be provided, the specific activities to be undertaken, and the agencies that will be involved;

(2) specify whether the project will be carried out throughout the State or in limited areas of the State;

(3) estimate the number of children who will be eligible for assured minimum child support payments under the project, and the amounts to which they will be entitled on average as individuals and in the aggregate;

(4) describe the child support guidelines and review procedures which are in use in the State and any expected modifications;

(5) contain a commitment by the State to carry out the project during a period of not less than 3 and not more than 5 consecutive fiscal years beginning with fiscal year 1997;

(6) contain assurances that the State—

(A) is currently at or above the national median paternity establishment percentage (as defined in section 452(g)(2) of the Social Security Act (42 U.S.C. 652(g)(2));

(B) will improve the performance of the agency designated by the State to carry out the requirements under part D of title IV of the Social Security Act by at least 4 percent each year in which the State operates a child support assurance project under this section in—

(i) the number of cases in which paternity is established when required;

(ii) the number of cases in which child support orders are obtained; and

(iii) the number of cases with child support orders in which collections are made; and

(C) to the maximum extent possible under current law, will use Federal, State, and local job training assistance to assist individuals who have been determined to be unable to meet such individuals' child support obligations;

(7) describe the extent to which multiple agencies, including those responsible for administering the Aid to Families With Dependent Children Program under part A of title IV of the Social Security Act and child support collection, enforcement, and payment under part D of such title, will be involved in the design and operation of the child support assurance project; and

(8) contain such other information as the Secretary may require by regulation.

(c) USE OF FUNDS.—A State shall use amounts provided under a grant awarded under this section to carry out a child support assurance project designed to provide a minimum monthly child support benefit for each eligible child in the State to the extent that such minimum child support is not paid in a month by the noncustodial parent.

(d) REQUIREMENTS.—

(1) IN GENERAL.—A child support assurance project funded under this section shall provide that—

(A) any child (as defined in paragraph (2)) with a living noncustodial parent for whom a child support order has been sought (as defined in paragraph (3)) or obtained and any child who meets ''good cause'' criteria for not seeking or enforcing a support order is eligible for the assured child support benefit;

(B) the assured child support benefit shall be paid promptly to the custodial parent at least once a month and shall be—

(i) an amount determined by the State which is—

(I) not less than $1,500 per year for the first child, $1,000 per year for the second child, and $500 per year for the third and each subsequent child; and

(II) not more than $3,000 per year for the first child and $1,000 per year for the second and each subsequent child;

(ii) offset and reduced to the extent that the custodial parent receives child support in a month from the noncustodial parent;

(iii) indexed and adjusted for inflation; and

(iv) in the case of a family of children with multiple noncustodial parents, calculated in the same manner as if all such children were full siblings, but any child support payment from a particular noncustodial parent shall only be applied against the assured child support benefit for the child or children of that particular noncustodial parent;

(C) for purposes of determining the need of a child or relative and the level of assistance, one-half of the amount received as a child support payment shall be disregarded from income until the total amount of child support and Aid to Families With Dependent Children benefit received under part A of title IV of the Social Security Act equals the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) that is applicable to a family of the size involved;

(D) in the event that the family as a whole becomes ineligible for aid to families with dependent children under part A of title IV of the Social Security Act due to consideration of assured child support benefits, the continuing eligibility of the caretaker for aid to families with dependent children under such title shall be calculated without

consideration of the assured child support benefit; and

(E) in order to participate in the child support assurance project, the child's caretaker shall apply for services of the State's child support enforcement program under part D of title IV of the Social Security Act.

(2) DEFINITION OF CHILD.—For purposes of this section, the term ''child'' means an individual who is of such an age, disability, or educational status as to be eligible for child support as provided for by the law of the State in which such individual resides.

(3) DETERMINATION OF SEEKING A CHILD SUPPORT ORDER.—For purposes of this section, a child support order shall be deemed to have been ''sought'' where an individual has applied for services from the State agency designated by the State to carry out the requirements of part D of title IV of the Social Security Act or has sought a child support order through representation by private or public counsel or pro se.

(e) CONSIDERATION AND PRIORITY OF APPLICATIONS.—

(1) SELECTION CRITERIA.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve not more than 6 applications which appear likely to contribute significantly to the achievement of the purpose of this section. In selecting States to conduct demonstration projects under this section, the Secretary shall—

(A) ensure that the applications selected represent a diversity of minimum benefits distributed throughout the range specified in subsection (d)(1)(B)(i);

(B) consider the geographic dispersion and variation in population of the applicants;

(C) give priority to States with applications that demonstrate—

(i) significant recent improvements in—

(I) establishing paternity and child support awards;

(II) enforcement of child support awards; and

(III) collection of child support payments;

(ii) a record of effective automation; and

(iii) that efforts will be made to link child support systems with other service delivery systems;

(D) ensure that the proposed projects will be of a size sufficient to obtain a meaningful measure of the effects of child support assurance;

(E) give priority, first, to States intending to operate a child support assurance project on a statewide basis, and, second, to States that are committed to phasing in an expansion of such project to the entire State, if interim evaluations suggest such expansion is warranted; and

(F) ensure that, if feasible, the States selected use a variety of approaches for child support guidelines.

(2) REQUIREMENTS FOR GRANTEES.—Of the States selected to participate in the demonstration projects conducted under this section, the Secretary shall require, if feasible—

(A) that at least 2 provide intensive integrated social services for low-income participants in the child support assurance project, for the purpose of assisting such participants in improving their employment, housing, health, and educational status; and

(B) that at least 2 have adopted the Uniform Interstate Family Support Act.

(f) DURATION.—During fiscal year 1996, the Secretary shall develop criteria, select the States to participate in the demonstration, and plan for the evaluation required under subsection (h). The demonstration projects conducted under this section shall commence on October 1, 1996, and shall be conducted for not less than 3 and not more than 5 consecutive fiscal years, except that the Secretary may terminate a project before the end of such period if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) COST SAVINGS RECOVERY.—The Secretary shall develop a methodology to identify any State cost savings realized in connection with the implementation of a child support assurance project conducted under this Act. Any such savings realized as a result of the implementation of a child support assurance project shall be utilized for child support enforcement improvements or expansions and improvements in the Aid to Families With Dependent Children Program conducted under part A of title IV of the Social Security Act within the participating State.

(h) EVALUATION AND REPORT TO CONGRESS.—

(1) EVALUATION.—The Secretary shall conduct an evaluation of the effectiveness of the demonstration projects funded under this section. The evaluation shall include an assessment of the effect of an assured benefit on—

(A) income from nongovernment sources and the number of hours worked;

(B) the use and amount of government supports;

(C) the ability to accumulate resources;

(D) the well-being of the children, including educational attainment and school behavior; and

(E) the State's rates of establishing paternity and support orders and of collecting support.

(2) REPORTS.—Three and 5 years after commencement of the demonstration projects, the Secretary shall submit an interim and final report based on the evaluation to the Committee on Finance and the Committee on Labor and Human Resources of the Senate, and the Committee on Ways and Means and the Committee on Economic and Educational Opportunities of the House of Representatives concerning the effectiveness of the child support assurance projects funded under this section.

(i) STATE REPORTS.—The Secretary shall require each State that conducts a demonstration project under this section to annually report such information on the project's operation as the Secretary may require, except that all such information shall be reported according to a uniform format prescribed by the Secretary.

(j) RESTRICTIONS ON MATCHING AND USE OF FUNDS.—

(1) IN GENERAL.—A State conducting a demonstration project under this section shall be required—

(A) except as provided in paragraph (2), to provide not less than 20 percent of the total amounts expended in each calendar year of the project to pay the costs associated with the project funded under this section;

(B) to maintain its level of expenditures for child support collection, enforcement, and payment at the same level, or at a higher level, than such expenditures were prior to such State's participation in a demonstration project provided by this section; and

(C) to maintain the Aid to Families With Dependent Children benefits provided under part A of title IV of the Social Security Act at the same level, or at a higher level, as the level of such benefits on the date of the enactment of this Act.

(2) EXCEPTION.—A State participating in a demonstration project under this section may provide not less than 10 percent of the total amounts expended to pay the costs associated with the project funded under this section in years after the first year such project is conducted in a State if the State meets the improvements specified in subsection (b)(6)(B).

(k) COORDINATION WITH CERTAIN MEANS-TESTED PROGRAMS.—For purposes of—

(1) the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(2) title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

(3) section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(4) sections 221(d)(3), 235, and 236 of the National Housing Act (12 U.S.C. 1715*l*(d)(3), 1715z, 1715z–1);

(5) the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(6) title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); and

(7) child care assistance provided through—

(A) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(B) the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); or

(C) title XX of the Social Security Act (42 U.S.C. 1397 et seq.),

any payment made to an individual within the demonstration project area for child support up to the amount which an assured child support benefit would provide shall not be treated as income and shall not be taken into account in determining resources for the month of its receipt and the following month.

(l) TREATMENT OF CHILD SUPPORT BENEFIT.—Any assured child support benefit received by an individual under this Act shall be considered child support for purposes of the Internal Revenue Code of 1986.

(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary in each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 to carry out the purposes of this Act.●

● Mr. ROCKEFELLER. Mr. President, as we focus on the issues of welfare reform and child support enforcement, I am proud to join my distinguished colleague from Connecticut, Senator CHRIS DODD, in introducing a demonstration project to explore the merits of child support assurance. This is a bipartisan idea to ensure minimum support to single parents as a way to promote work and responsibility.

I first became interested in the innovative idea of child support assurance as Chairman of the bipartisan National Commission on Children which endorsed a demonstration of child support assurance in its unanimous 1991 report, ''Beyond Rhetoric, a New American Agenda for Children and Families.''

The Commission urged the Federal Government, in partnership with several States, to undertake a demonstration to design and test the effects of an assured child support plan that combines enhanced child support enforcement with a Government-insured minimum benefit for children.

Under our demonstration, eligible parents would have to have a child support award in place or be fully cooperating in establishing paternity which would create a real incentive for parents to get a child support award. Once such an award is established, the Federal and State Government can aggressively seek to collect the payments from absent parents. But the minimum assured benefit will protect the innocent child from hardship and economic

uncertainty when one parent is shirking his/her obligation.

Such stable, consistent support is vital for children. A 1994 study by the National Institute of Child Health and Human Development noted that children of single-parent families are at increased risk. It notes that the single most important factor in accounting for the lower achievement of children in single-parent families is poverty and economic insecurity. Income differences account for half of the increased risk for disadvantages. The researchers noted that because income is such an important factor in the increased risk for disadvantages among children in single-parent families, policies that serve to minimize the negative economic impact on children may help reduce their difficulties.

The National Child Support Assurance Consortium issued a compelling report called ''Childhood's End'' in January 1993 that outlined what happens to children when child support payments are missing, or just plain late. Let me share just a few of the report's significant findings about what happens to children when child support is not paid.

Fifty-five percent of mothers reported that their children missed regular health check-ups;

Thirty-six percent of mothers reported that their children did not get medical care when they became ill; and

Fifty-seven percent of the mothers reported that their children lost their regular child care.

The list goes and on, and it is tragic that absent parents are not living up to their financial obligations and placing their own children at risk. President Clinton estimates that 800,000 people could leave the welfare system and dependency if they were paid the child support that they are owed. It is wrong to penalize these families and push them into dependency. Rather we must aggressively move on child support enforcement and explore the benefits of providing a minimum Government benefit in cases where our State enforcement efforts fail to timely collect child support owed to children.

As Chairman of the National Commission on Children, I want to put this child support assurance demonstration project into perspective. Our bipartisan commission report clearly stated that children do best in stable, two-percent families. I wish that every child could grow up in a caring home with both parents and financial security.

But in reality, over 15.7 million children are living in a single-parent household and in need of child support. Demographers warn us that 1 out of every 2 children growing up today will spend some time living with only one parent; and, therefore, half of children today will depend on child support at some point.

I strongly believe that both parents—mothers and fathers—have a moral obligation to financially and emotionally support their children.

The Government has a role to play in ensuring that parents accept their financial obligations to support their children. This does not ignore or discount the importance of emotional support from both parents. But realistically, the Federal Government is limited in its ability to address parental involvement and emotional support. I support other legislation to encourage demonstrations projects to improve meditation and visitation issues among parents as way to respond to this other key facet.

But the Federal Government can have a major effect on child support enforcement and child support assurance. It must be involved because families that do not get the child support payments they deserve, often turn to Federal assistance programs including Aid to Families with Dependent Children [AFDC] and food stamps to make ends meet. Instead of allowing families to slip into dependency, I believe it would be better to invest in systems and incentives to collect the more than $30 billion in unpaid child support.

I want to emphasize that this is a bipartisan idea intended to promote work and independence. In its 1991 report, ''Moving Ahead: Initiatives for Expanding Opportunity in America,'' the House Wednesday Group recommended Federal funding for large-scale demonstrations of child support assurance and time-limited welfare. The report notes that:

> Child support assurance has several attractive features. First it is not welfare. The benefit would be universal; all single-parent families would be eligible for the assured benefit. For most families, the absent parent would pay more than the assured benefit; the government would then recapture its expenditure and the rest would be forwarded to the child. For families in which the absent parent did not pay at least the amount of the assured benefit, the government would pay the amount guaranteed to the child and then attempt to recoup its outlays by vigorous child support enforcement. One way to think of the assured benefit, then, is government's commitment to guarantee at least a given level of cash support to all custodial parents.
>
> The assured benefit can also be seen as a program that encourages independence . . . The assured benefit is a blanket of insulation between a single mother and dependency on welfare. Equally important, unlike welfare payments, the assured benefit may have the attractive feature of minimizing work disincentive.

While noting some questions about child support assurance, the House Wednesday Group did support a demonstration project to test the potential of this innovative concept. Other groups supporting our proposal include: the Center for Law and Social Policy, the Women's Legal Defense Fund, and the Children's Defense Fund.

Mr. President, as we consider dramatic reform of our welfare system, we also should focus on child support enforcement and child support assurance as promising alternatives to promote responsibility and work over welfare and dependence.●

By Mr. JEFFORDS (for himself and Mrs. MURRAY):

S. 643. A bill to assist in implementing the plan of action adopted by the World Summit for Children; to the Committee on Foreign Relations.

WORLD SUMMIT FOR CHILDREN IMPLEMENTATION ACT

Mr. JEFFORDS. Mr. President, I rise today to introduce, on behalf of myself and Senator MURRAY, the James P. Grant World Summit for Children Implementation Act of 1995.

This is a bill designed to help the United States implement its commitment to our children and to children at risk throughout the world.

In 1990, the United States and 158 other nations participated in the World Summit for Children at which they signed a plan of action setting goals to be reached by the year 2000. Those goals were: To reduce child death rates by at least one-third; to reduce maternal deaths and child malnutrition by one-half; to provide all children access to basic education; to provide all families access to clean water, safe sanitation, and family planning information; and to reduce medical costs for children.

Our legislation also urges full funding by the year 2001 for Head Start, a program that dramatically improves the performance of children in their early years in school.

Internationally, this bill would shift funds within the U.S. foreign assistance budget to meet the urgent needs of children. Specifically, it would increase allocations in foreign assistance for a few cost-effective programs: Child survival, basic education, nutrition programs, UNICEF, AIDS prevention, CARE, refugee assistance, and family planning.

If we are truly concerned about the kind of future we leave for our children, we must look beyond our borders to the world they will inherit as they come of age. If we want our Nation to be prosperous, we must invest in our future. In times of fiscal restraint, it is more important than ever we clearly focus on our top priorities. Children, both here and throughout the world, are the top priority.

Mrs. MURRAY. Mr. President, I am proud to join my colleague from Vermont, Senator JEFFORDS, in introducing the James P. Grant World Summit for Children Implementation Act of 1995. I take this opportunity to commend Senator JEFFORDS for his leadership on this issue, and I am proud to be associated with this effort.

Because the nations of the world have become so interdependent, there can be no doubt that the well-being of children around the globe affects us here in the United States. Children are the foundation of our society, of our economy, of our future.

It seems obvious, then, that we would provide adequately for the world's children, but sadly we do not.

According to UNICEF, every week, more than 250,000 children die of easily preventable illness and malnutrition.

Every day, measles, whooping cough, and tetanus—all of which can be prevented by an inexpensive course of vaccines—kill nearly 8,000 children.

Every day, diarrheal dehydration—preventable at almost no cost—kills almost 7,000 children.

Every day, pneumonia—fully treatable by low-cost antibiotics—kills more than 6,000 children.

And for every child that dies, several more live on with poor growth, ill health, and diminished potential.

The world's political leadership can ill-afford to ignore these statistics. We are all in this together. The success or failure of economies thousands of miles away can directly affect us here at home. This is especially true in my trade-dependent home State of Washington.

As the old saying goes, we are only as strong as our weakest link. If our trading partners in Asia or Latin America cannot provide the necessary education or health care for their children, we will not have strong partners to trade with in the next generation. And in the end, alleviating poverty promotes economic development, which serves us all.

So it is extremely important that we continue to work to implement the plan of action adopted at the 1990 U.N. World Summit for Children, which rightly placed the needs of children at the top of the world's development agenda.

That is why Senator JEFFORDS and I are introducing the James P. Grant World Summit for Children Implementation Act of 1995, legislation that supports life-saving, cost-effective programs to protect the health and well-being of children worldwide.

The world's children have a right to adequate nutrition, full immunization, education, and health care. The United States must continue to lead the world in promoting that message.

To reach children, of course, we must reach out to the world's women—who are often overlooked in traditional development programs. Fortunately, the World Summit for Children recognized that to improve the lot of the world's children, the status of the world's women also had to improve.

For example, recognizing the important link between child survival and family planning, the world summit for children called for universal access to family planning education and services by the end of this decade.

Family planning saves the lives of both women and children. We know that babies born in quick succession, to a mother whose body has not yet recovered from a previous birth, are the least likely to survive. Increasing funds in this area has been a top priority for me in my work in the U.S. Senate, and is addressed in the legislation we are introducing today.

I realize that in this current political climate, foreign aid is often under attack and misunderstood. While foreign aid has never been popular, it has always served our Nation well. The money needed to support the kinds of programs we are concerned about in this bill is not large in the scope of our budget—indeed, our total foreign aid program represents less than 1 percent of our entire Federal budget. In my view, our foreign aid dollars are best spent when we are investing in programs that strengthen families around the globe, and give a special helping hand to women and children.

For these reasons, I urge my colleagues to join Senator JEFFORDS and me in support of this important legislation.

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. DOLE, the names of the Senator from Minnesota [Mr. GRAMS] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 5, a bill to clarify the war powers of Congress and the President in the post-cold war period.

S. 254

At the request of Mr. LOTT, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 254, a bill to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the United States merchant marine during World War II.

S. 256

At the request of Mr. DOLE, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 442

At the request of Ms. SNOWE, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 442, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 530

At the request of Mr. GREGG, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 530, a bill to amend the Fair Labor Standards Act of 1938 to permit State and local government workers to perform volunteer services for their employer without requiring the employer to pay overtime compensation, and for other purposes.

S. 539

At the request of Mr. COCHRAN, the names of the Senator from Mississippi [Mr. LOTT], the Senator from South Carolina [Mr. THURMOND], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 539, a bill to amend the Internal Revenue Code of 1986 to provide a tax exemption for health risk pools.

S. 565

At the request of Mr. PRESSLER, the names of the Senator from Montana [Mr. BURNS] and the Senator from Wyoming [Mr. THOMAS] were added as cosponsors of S. 565, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 578

At the request of Mr. D'AMATO, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 578, a bill to limit assistance for Turkey under the Foreign Assistance Act of 1961 and the Arms Export Control Act until that country complies with certain human rights standards.

S. 631

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 631, a bill to prevent handgun violence and illegal commerce in firearms.

SENATE RESOLUTION 95—RELATIVE TO COMMITTEE APPOINTMENT

Mr. DASCHLE submitted the following resolution; which was considered and agreed to:

S. RES. 95

Resolved, That the following shall constitute the minority party's membership on the following Senate committees for the 104th Congress, or until their successors are appointed:

Energy and Natural Resources: Mr. Johnston, Mr. Bumpers, Mr. Ford, Mr. Bradley, Mr. Bingaman, Mr. Akaka, Mr. Wellstone, Mr. Heflin, and Mr. Dorgan.

Veterans' Affairs: Mr. Rockefeller, Mr. Graham, Mr. Akaka, Mr. Dorgan, and Mr. Wellstone.

AMENDMENTS SUBMITTED

THE REGULATORY TRANSITION ACT OF 1995

NICKLES (AND OTHERS) AMENDMENT NO. 410

Mr. NICKLES (for himself, Mr. REID, Mr. BOND, and Mrs. HUTCHISON) proposed an amendment to the bill (S. 219) to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes; 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 ''Regulatory Transition Act of 1995''.

SEC. 2. FINDING.

The Congress finds that effective steps for improving the efficiency and proper management of Government operations will be promoted if a moratorium on the effectiveness of certain significant final rules is imposed in order to provide Congress an opportunity for review.