

minimum wage to more senior employees, but that is unlikely given that the minimum wage is usually more than the most senior employee makes on projects not subject to Davis-Bacon wages.

6. According to the Department of Housing and Urban Development, repairs to bomb-damaged buildings completed before October 30, 1995, are not subject to Davis-Bacon wages. Any project after that date is subject to Davis-Bacon. If the work has been completed by the property owner and the contractor has been paid and his employees have been paid:

(a) What incentive does a contractor have to recalculate all of his employee hours at the Federal Wage rate?

(b) If a contractor does not want to re-figure his wages, what recourse does an owner have to get reimbursed? (The contractor has been paid, why spend the time to re-figure?)

(c) When the contractor does comply, he will add overhead and profit to his costs making the job even more costly.

7. The \$2,000 threshold for Davis-Bacon projects is too low. If you have two items to replace such as a window and an overhead door, the total cost may only be over \$2,000. Each contractor will spend an hour or less on the job to install the products. Most of the bid is for the product, not the labor. A small independent contractor or small business owner will spend three days filling out paperwork for an hour-long job (See 1 NW 12th Example).

EXAMPLES

311 N. Harvey—original bids:

Ward Construction	\$2,900
Southwestern Roofing	21,398
Total	24,298
Revised Davis-Bacon bids (11% increase)	27,000

520 N. Hudson—original bids:

Brat Paint	5,434
Mike Harper	675
King Electric	3,045
Mid-American Roofing	32,134
Total	41,288
Revised Davis-Bacon bids (One Prime Contractor) (44% increase)	59,398

225 NW 6th—original bids:

Overhead Door	1,600
Mid-American Roofing	37,578
Total	39,178
Revised Davis-Bacon Bids (One Prime Contractor) (25% increase)	48,920

408 NW 6th—original bids:

Central Glass	7,209
Bob Grown (exterior paint)	2,305
Ed Orr (replace ceiling)	11,900
Total	21,459
Revised Davis-Bacon Bids (75% increase)	37,720

In this case at 408 NW 6th, the property owner obtained the low bids above from individual contractors. The owner had also completed some minor reimbursable repairs prior to this bidding. The owner was told that he would have to rebid the project with the required wage rates and that he could only sue one "prime contractor" on projects where Davis-Bacon wage rates are in effect. The results of bidding the same work with general contractors and Davis-Bacon wage rates, is provided. This is an increase of \$16,261 or 75% for the same work.

Although this may be an extreme case, history with our program shows most increases

due to wage rate requirements in the range of 8-50%, it is indicative of the possible cost increase that can result from a combination of wage rate requirements and the use of general contractors on small jobs. The property owner was not surprised that the price increased significantly, but was baffled that we required him to do this. His question was why? To be honest, I don't know, other than "that is the federal requirement."

1 NW 12th Street: Taylor's Downtown Glass gave a bid of \$433.23 to replace a window in a downtown building. It will take less than 30 minutes to perform the task. Tull Overhead Door gave a bid of \$3,597.00 to replace an overhead door. The contractor will spend less than an hour installing the product. Taylor's Downtown Glass spent three days filling out the paperwork and has to keep track of the entire week of payroll for a job that takes less than 30 minutes. Tull Overhead Door spent costly time attending a pre-work conference that was required even though he had done Davis-Bacon work before.

Asbestos Removal: The federal wage rate for Asbestos Workers is \$18.00 per hour plus \$5.13 in fringes. The problem is that local asbestos abatement companies only pay that rate to employees when working in full containment garments ("moon suits" with respirators). Otherwise they pay them at a regular common laborer rate or a wage rate that corresponds to their other job.

However, according to Davis-Bacon Rules, the abatement workers must be paid as such when they are driving a truck, unloading lumber and building containment areas, load out areas, etc. This will increase the asbestos abatement cost significantly and our project designers are amazed that this rule must be followed.

CONCLUSION

The point of the examples provided in this letter is that there is a substantial cost factor involved in implementing this program with Davis-Bacon prevailing wages, and I feel the money would be better spent providing additional assistance to those who were damaged. In addition, the fact that we must pay these wage rates with the accompanying reporting paperwork for businesses and additional City staff costs, frequently adds to the frustration of those who we are trying to help. Business and property owners often state that this is just another example of the government doing everything slower and at an increased cost. Unfortunately, I must agree with them.

I realize that there may be a reluctance to suspend Davis-Bacon wage rates for these funds. Although, I do find it interesting that if Oklahoma City had obtained funding through the Federal Emergency Management Agency (FEMA), as is typical in a disaster area, federal Davis-Bacon wage rates would not apply. However, because Congress designated Community Development Block Grant Funds (CDBG) for this unique disaster, HUD requires all construction projects with a total project cost of \$2,000 or more to pay Davis-Bacon wages. In general, if the intent of the FEMA policy is not to burden those affected by a disaster or emergency with Davis-Bacon requirements, then I feel that the same policy should apply to the unique situation in Oklahoma City.

Your attention to this matter is truly appreciated. I look forward to our continued cooperation in assisting those damaged and providing for the revitalization of the areas affected by the bombing.

Sincerely,

FRANK D. LUCAS.

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THE CONTINUED ASSAULT ON OUR NATION'S WORKING FAMILIES AND SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. VENTO] is recognized for 5 minutes.

Mr. VENTO. Mr. Speaker, during the past year, the majority has consistently advocated proposals to weaken programs and protections for our Nation's working families and seniors. As recent action shows, the majority has not been listening to the consistent and concerned voices of the American people which have expressed opposition to these proposals.

The majority is once again proposing fundamental changes in Medicare and Medicaid, which I might say helps and empowers over 70 million Americans gain access to health insurance. Their plan is to change the Medicare and Medicaid from programs which assure health care for those who need it to programs which limit Federal spending to a defined amount. In other words, they are changing them from defined benefit programs to defined contribution programs.

Congress should be acting to expand health care coverage and rein in escalating health care costs, but instead, Republicans in this Congress are focused on tearing our Nation's health safety net, potentially adding millions more to the ranks of the uninsured.

At the same time, the Republican plan includes tax breaks from \$124 billion to \$175 billion over the 6 years, and leaves the option open for even additional tax breaks, such as the costly capital gains tax break.

The majority would not need to make such drastic cuts and changes in Medicare and Medicaid if they did not insist on providing tax breaks for the wealthy.

Their plan will jeopardize health care for 623,000 Minnesotans who are enrolled in Medicare and 443,000 Minnesotans that receive help from Medicaid, half of those are children. In other words, 220,000 children receive Medicaid in Minnesota. In fact, about 1 in 5 Minnesotans relies on Medicaid or Medicare; over a million people.

The Republican Medicare plan continues to essentially include the same policy proposals as last year's plan, drastically cutting payments to the providers, restructuring the current programs, and heavily relying upon untested medical savings accounts. The medical savings accounts proposal has been predicted to cost, at a loss to the Medicare trust fund, an estimated \$15 billion because Medicare funds would be given to healthier, wealthier people who most often do not need medical care.

The claim of extending Medicare solvency is only a pretext for the out of context policy the GOP pursues. The Medicare Part A program needs changing, but the Republican plan goes too

far and in the wrong direction, changing Medicare from a reliable health care insurance for our seniors to a second-class health care system for Medicare recipients.

Under the Medicare plan, seniors will pay more and get less. The plan would allow doctors and hospitals to charge seniors above and beyond the established Medicare reimbursement rate. Balance-billing will bottom the norm as providers shift more cost to the seniors, the proposed cuts by the Republican Congress will show up as bills on the backs of the Medicare elderly who earn an average of \$10,000 or less yearly.

Perhaps even more damaging than the Medicare cuts are cuts and program changes planned for Medicaid. Under the Republican plan seniors, people with disabilities, and low-income families who receive help from Medicaid, would be at risk of losing their coverage. In addition, States will be allowed to reduce their own share of funding for Medicaid, making the actual cuts more severe than they first appear.

Two-thirds of all nursing home residents receive help from the Medicaid system to pay their nursing home bills. The Republican plan will allow States to target the assets of seniors' children to help pay nursing home bills, which average \$38,000 per year. Again, the plan is really nothing less than a form of cost-shifting.

The plan cuts Federal expenditures but does not limit consumer costs. In fact, these programs were put in place to permit families to take care of themselves when a health care crisis occur. Now, the changes being proposed would pull the plug on the 30-year commitment to Medicare and Medicaid.

Republicans have shown that they are indifferent to the elderly and willing to send the American working families and seniors the bill for tax breaks for the wealthy. But these are not responsible or fair priorities for our Nation's future. The American people expect shared sacrifice, not cuts for people programs and tax breaks for wealthier individuals, but there they go again, hoping that the bumper sticker slogan of a tax break will cover up the cuts of people programs.

Mr. Speaker, I urge the Members of this body to strongly oppose these proposals again as were proposed last year.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. EWING] is recognized for 5 minutes.

[Mr. EWING addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TRIBUTE TO ST. MARTHA'S STUDENTS—INTERNATIONAL SCHOOL CYBERFAIR 1996

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Michigan [Mr. CHRYSLER] is recognized for 5 minutes.

Mr. CHRYSLER. Mr. Speaker, I rise today to congratulate the students of St. Martha's Elementary School of Okemos, MI. Mr. Speaker, the students of St. Martha's recently became one of the grand prize winners of the International School CyberFair, a global competition celebrating the ability of on-line communications to share and unite students throughout their communities, their nations, and indeed the world.

Placing second in their category, the third, fourth, and fifth grade students of St. Martha's created an Internet web site highlighting familiar treasures of the mid-Michigan area so that students throughout the world could explore their community.

In addition to creating their own web site, the students of St. Martha's incorporated links to numerous other Michigan attractions, such as Michigan State University, the University of Michigan, Lansing Community College, and the Michigan State Government Offices.

Mr. Speaker, in receiving this outstanding award, the students of St. Martha's are paving the way for advancement of technologies in our classroom. These students have not only demonstrated exceptional skill and determination in providing their communities with this tool of learning, but they have also become student ambassadors to the world.

As we have now passed the telecommunications bill and it has been signed into law this year, these students are on the cutting edge of the Information Age. As sure as we lived in the agricultural age in the 1800's, and moved on into the industrial age in the 1900's, we are now into the information age of the 21st century.

Between 1600 and 1960, human knowledge doubled. Between 1960 and 1980, human knowledge doubled again. And between 1980 and 1990, human knowledge doubled again. And between 1990 and 1995, it doubled again. And now about every 18 months to 2 years, human knowledge will double again.

The telecommunications bill will not only create 3.2 million new jobs, but it will also create a new America where 40 percent of the working people can work out of their homes.

That means that we will eliminate the traffic jams in the morning and in the evenings. We will stop polluting our air from the cars sitting in the traffic jams idling away. But more importantly, we will have mom or dad, or maybe mom and dad both, at home when these kids go to school and, just as importantly, when they come home from school, and we will start putting American families back together again.

Mr. Speaker, I would like to congratulate the students and the faculty of St. Martha's in receiving this award. Additionally, I would like to recognize Cisco Systems and the MCI Corpora-

tion for sponsoring this global competition for their commitment to tomorrow's future leaders.

I would encourage my colleagues and citizens throughout the Nation to visit our mid-Michigan community via the web site created by the fine students at St. Martha's. The web site is located on the worldwide web at <http://cyberfair.gsn.org/stmartha>.

REPUBLICAN MEDICARE/MEDICAID PLANS ARE "CLUELESS"

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. WOOLSEY] is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, I would like to thank Representative PALLONE for organizing this special order tonight and for his outstanding leadership in protecting Medicare.

Mr. Speaker, colleagues, the Gingrich majority just can't keep its hands off of Medicare. For a second year in a row, the new majority is trying to pay for special interest tax breaks by forcing drastic cuts in Medicare.

After shutting the Government down twice, after seeing their approval ratings plummet to record-breaking lows, after the near collapse of their legislative agenda you would think they would learn.

Well, my friends, our colleagues on the other side of the aisle remain clueless. They remain clueless to the fact that the American people want no part of a scheme to make Medicare "Wither on the vine," as the Speaker suggested.

They remain clueless that seniors are not willing to pay more to receive less. The Republican budget cuts \$167 billion from Medicare over 6 years, which will mean drastically higher health care costs and fewer health care benefits for our Nation's seniors.

They remain clueless about forcing Americans into managed care programs without physician choice—the same programs which may force seniors to give up their trusted doctors. And the American people sure don't want to be gouged through excessive copayments, known as balanced billing, which is included in the Republican plan.

And Republicans remain clueless to the fact that the American people don't want their local hospitals closed because of a budget plan that cuts the Medicare Hospital Trust Fund by \$51 billion over 6 years.

Well, I am here, armed with messages from three of my constituents, to help members of the new majority get a clue. Hopefully our colleagues on the other side of the aisle are sitting in their offices, watching C-Span. I urge you to turn up the volume in your office, listen closely, and take note.

First, a 65-year-old man wrote me to say (and I quote): "I worked hard all of my life, raised ten kids, and fought in two wars to live my life in peace. Living on only 801 dollars a month, I need all the help I can get."