

disposal of materials under subsection (a) shall be deposited into the fund established by paragraph (2).

(2)(A) There is established a fund in the Treasury to be known as the "Missing Persons Activities Fund" (in this paragraph referred to as the "Fund").

(B) There shall be deposited in the Fund amounts received as a result of the disposal of materials under subsection (a).

(C) Sums in the Fund shall be available to the Secretary of Defense to defray the cost to the Department of Defense of activities connected with determining the status and whereabouts of members of the Armed Forces of the United States who are missing in action and believed to be prisoners of war, including the administrative costs and the costs incurred by the Department in connection with judicial review of such activities. Such amounts shall be available for that purpose without fiscal year limitation.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, October 2, 1996, beginning at 9:30 a.m. to conduct an oversight hearing on the regulatory activities of the National Indian Gaming Commission [NIGC]. The hearing will be held in room 216 of the Hart Senate Office Building.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEE TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Monday, September 30, 1996, at 3 p.m. to hold a closed business meeting.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Monday, September 30, 1996, at 6 p.m.

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

ADDITIONAL STATEMENTS

IRS REVENUE PROCEDURE 96-41

• Mr. GRASSLEY. Mr. President, in late July, IRS issued a Revenue Proce-

dures that may cost thousands of State and local governments and their taxpayers as much as \$2 billion. The purpose of the IRS action is to recover funds that were diverted from the Treasury when local governments were overcharged by investment firms for securities they purchased in the course of tax-exempt municipal bond refinancings. If these State and local governments had caused the overcharges or if they themselves benefited then the IRS ruling, even though costly, might be fair.

That, however, is not the case. There has been no suggestion whatsoever that municipal authorities across America acted unlawfully. Instead, as expressed by the president of the League of Cities in a recent letter to Treasury Secretary Rubin, "it appears that the IRS understands that cities are not at fault, but rather the IRS wants to use cities to go after the underwriters who overcharged us."

In Iowa alone the IRS ruling could cost taxpayers more than \$1.5 million. For other States the totals run even higher. In California, for example, Rev. Proc. 96-41 could require State and local governments to pay as much as \$200 million to the IRS.

If, as the IRS suggests, underwriters and investment bankers were responsible for use of "a valuation method that results in prices * * * that exceed fair market value," it is those underwriters and investment bankers who should repay the Treasury, not towns, cities, State universities, school districts, transportation systems and utility authorities. Indeed, by some estimates, according to the New York Times: "underwriters may have earned some \$2 billion to \$3 billion of illegal profits."

Fortunately, under the False Claims Act, the Government has the ability to proceed directly against any party which causes financial loss to the Treasury and recover treble damages plus penalties. The False Claims Act may be helpful in the yield burning context.

Ten years ago, President Reagan signed the 1986 amendments to the False Claims Act into law. As the principal sponsor of the 1986 amendments, my purpose was to strengthen and revitalize the Justice Department's efforts to fight fraud against the Government wherever it occurs. Since then, false claims recoveries to the Treasury have totaled more than \$1.3 billion.

While the statute has been applied most often in the context of Federal defense spending and federally funded health insurance programs, with the narrow exception of income tax cases, the act allows the Government to recover treble damages and penalties against anyone who defrauds the Treasury. If the overcharges described by the IRS occurred, the U.S. Treasury may have sustained substantial losses as it essentially paid unlawful profits to those who sold the overpriced securities. If such losses occurred, the False Claims Act offers an ideal remedy.

For these reasons, I intend to write to Attorney General Reno and urge that the Department of Justice investigate the circumstances underlying the IRS action, and that if so warranted, the Department then seek to pursue all remedies against any party which damaged the Government by overpricing securities sold in connection with municipal bond refinancings. I will also write to IRS Commissioner Margaret Richardson to indicate my concern that the IRS is seeking to make local governments the primary target for repayment of any sums that were lost by the Government as a result of overcharges for escrow securities.●

S. 1711, VETERANS' BENEFITS IMPROVEMENTS ACT OF 1996

• Mr. AKAKA. Mr. President, I rise in strong support of S. 1711, the Veterans' Benefits Improvements Act of 1996. I am especially pleased that this measure includes provisions that would improve the Centers for Minority and Women Veterans and allow refinancing under the Veterans' Home Loan Program Amendments of 1992. These provisions are based on measures I introduced earlier in this Congress which were reported by the Senate Veterans' Affairs Committee.

NATIVE AMERICAN HOME LOAN REFINANCING

Mr. President, S. 1711 contains a provision that authorizes the Secretary of Veterans Affairs to refinance direct loans issued to Native American veterans under Native American Home Loan Program, established by Public Law 102-547. This initiative is derived from S. 1342, legislation I introduced with Senators ROCKEFELLER, INOUE, WELLSTONE, and SIMON. Under this provision, the same credit standards that apply to refinancing of VA guaranteed loans also apply to refinancing of Native American direct loans.

As my colleagues are aware, the Native American Direct Loan Pilot Program was established by Congress to ensure equal access to home loans for those veterans residing on reservations or other trust lands. Because trust lands cannot be used as collateral, commercial lending institutions are unwilling to issue mortgages for housing on such lands. The direct loans authorized under Public Law 102-547 permit Native Americans to purchase, construct, or improve dwellings on trust land despite the absence of commercial financing.

As of May 1996, VA had entered into agreements with 38 tribes and Native Hawaiians to provide direct home loans to tribal members, and negotiations were ongoing to conclude agreements with 21 additional tribes. More than 90 loans had been closed, 42 commitments issued, and 130 applications pending.

Recently, however, VA determined that Native Americans wishing to take advantage of lower interest rates could not refinance under the program. This clearly violated the intent of Congress

in establishing the program, which was to ensure that Native American veterans enjoy the same access to VA home loan benefits as other veterans, especially when one considers the fact that refinancing is authorized under other VA loan programs.

This bill will correct this inequity and, hopefully, encourage other Native Americans to utilize the direct loan program.

It is important to point out that VA will not incur additional costs if this refinancing option is adopted, since the agency will be permitted to charge an administrative refinancing fee. In fact, it is possible that the refinancing provision will save the department money as well, by allowing veterans to lower their mortgage payments and thus reduce the likelihood of default.

CENTERS FOR MINORITY AND WOMEN VETERANS

Mr. President, S. 1711 also contains improvements to the Centers for Minority and Women Veterans as well as the Advisory Committee on Minority Veterans that were enacted as part of Public Law 103-446. These provisions are derived from S. 749, legislation I introduced with Senator ROCKEFELLER last year.

Among other initiatives, Public Law 103-446 established within VA a Center for Minority Veterans, a Center for Women Veterans, and an Advisory Committee on Minority Veterans. These provisions were adopted in order to ensure that VA appropriately addresses the special needs and concerns of veterans who are women or members of minority groups. S. 1711 makes the following modifications to these initiatives:

First, it allows the directors of the Center for Minority Veterans and the Center for Women Veterans to have either career or noncareer status. Under the legislation adopted 2 years ago, both directors are required to be non-career appointees. I believe the Secretary should have the discretion to appoint either career or noncareer individuals to these jobs. This bill restores that option so that the Secretary will have the flexibility to appoint directors with career status so as to be able to consider the widest possible field of qualified candidates.

Second, it adds an additional function to the list of statutory functions of the Center for Minority Veterans. Specifically, the legislation requires the center to advise the Secretary of the effectiveness of VA's efforts to include minority groups in clinical research and on the particular health conditions affecting the health of minority group members. This provision is consistent with the goals set forth in section 492B of the Public Health Service Act. The Center for Women Veterans is already mandated by law to carry out a similar function with respect to the health of women veterans.

Third, it explicitly requires that the Center for Minority Veterans provides support and administrative services to the Advisory Committee on Minority

Veterans. This provision is consistent with the traditional agency role of providing professional and technical support to advisory entities. Again, this provision parallels existing law requiring that the Center for Women Veterans provide support to the Advisory Committee on Women Veterans.

Fourth, it defines the minority veterans for whom the Center for Minority Veterans has responsibility. The law establishing the Center neglected to provide such a definition. This bill defines minority veterans as individuals who are Asian American, Black, Hispanic, Native American—including American Indian, Alaskan Native, and Native Hawaiian—and Pacific-Islander American. This definition is identical to the definition included in current law with respect to the Advisory Committee on Minority Veterans.

Fifth, the legislation extends the termination date of the Advisory Committee on Minority Veterans an additional 2 years, from December 31, 1997, to December 31, 1999. This provision is necessary because delays in establishing the Advisory Committee have reduced its potential working life to significantly less than the three years authorized by Congress. Extending the life of the Advisory Committee to December 1999 is not unreasonable, given that all other statutory VA advisory boards, including the Advisory Committee on Women Veterans, the Advisory Committee on Former Prisoners of War, and the Advisory Committee on Prosthetics and Special-Disabilities Programs, are authorized permanently. In fact, I hope that Congress will in the future consider an initiative to authorize the Advisory Committee on a permanent basis.

Finally, S. 1711 contains a provision that gives the Advisory Committee on Minority Veterans and the Advisory Committee on Women Veterans responsibility for monitoring and evaluating the respective activities of the Center for Minority Veterans and the Center for Women Veterans. Insofar as the Advisory Committees were established to oversee all of the activities of the Department of Veterans Affairs with respect to minorities and women, they necessarily should be tasked with overseeing the work of the very offices that are chiefly responsible for ensuring that the special needs of minority and female veterans are accommodated by VA.

Mr. President, I am deeply grateful to Senator SIMPSON and Senator ROCKEFELLER for including the home loan and minority provisions in the pending measure. I also wish to thank their respective Committee staffs, including Bill Tuerk and Tom Harvey for the majority and Bill Brew and Jim Gottlieb for the minority, for working so hard on a bipartisan basis to help me develop and refine these initiatives. Together, our efforts will significantly improve access by minority and women veterans to VA benefits and services.

Thank you, Mr. President. I urge swift passage of this important measure.●

TENNESSEE ALLOYS CO.

● Mr. SHELBY. Mr. President, I rise today to recognize and pay tribute to Tennessee Alloys Co. of Bridgeport, AL, for their remarkable health and safety record. On April 19, 1996, the Tennessee Alloys Co. plant reached the 4-year mark without a single lost time accident. During this time period, the plant worked a total of 678,585 hours. Mr. President, this is an outstanding accomplishment.

Tennessee Alloys Co. is a producer of ferroalloys, and employs nearly 80 people. It is a joint venture of Applied Industrial Materials Corp., the managing partner, and Allegheny Ludlum Corp. Specifically, Tennessee Alloys Co. manufactures 50 percent ferrosilicon, 75 percent ferrosilicon, and high purity ferrosilicon. These products are a critical element used in the production of iron castings and steel and have special application in high performance generators, transformers, and motors.

Bridgeport plant manager Jerry Rich and his management team deserve special recognition on this occasion, as do the Tennessee Alloys Co.'s other hard working employees. Tennessee Alloys Co. sets a fine example by demonstrating the importance of high productivity balanced with concern for the health and safety of employees. This balance is not possible without the total commitment of both employees and management who take great pride in their work and their company. I would therefore like to recognize Tennessee Alloys Co. for its outstanding health and safety record and wish them continued success in the future.●

ACCELERATING THE DEVELOPMENT OF AIDS DRUG

● Mrs. FEINSTEIN. Mr. President, I rise today in appreciation of the leadership of Senator ROTH, chairman of the Finance Committee, and Senator MOYNIHAN, who brought to the Senate and secured passage of miscellaneous tariff legislation. The legislation takes a number of important steps and deserves our support.

I am particularly pleased Senator ROTH and Senator MOYNIHAN were able to incorporate S. 2021, a bill I introduced earlier this year which would reduce tariffs for certain chemicals used in a new AIDS drug that has shown encouraging test results. Upon approval, the Finance Committee bill will take an important step to reduce tariffs for these chemicals, which are not available in the United States.

We must do everything we can to find a cure for HIV/AIDS. However, until we have a cure for this urgent health priority, we need to find effective treatments and put them in the hands of people with needs. This provision will accelerate the manufacturing and final