

paid their insurance premiums for many years.

The private health insurance market in the United States is deeply flawed. More than half of all insurance policies impose exclusions for preexisting conditions. As a result, insurance is often denied for the very illnesses most likely to require medical care. The purpose of such exclusions is reasonable—to prevent people from gaming the system by purchasing coverage only when they get sick. But current practices are indefensible. No matter how faithfully people pay their premiums, they often have to start again with a new exclusion period if they change jobs or lose their coverage.

Eighty-one million Americans have conditions that could subject them to such exclusions if they lose their current coverage. Sometimes, the exclusions make them completely uninsurable.

Not only do insurers impose exclusions for preexisting conditions on people who do not deserve to be excluded from the coverage they need, they can deny coverage to entire firms if one employee of the firm is in poor health. Sometimes, entire categories of businesses, with millions of employees, are redlined out of coverage. Even if a firm is in an acceptable category, coverage may be denied if someone in the firm—or a member of their family—is in poor health.

Even if people are fortunate enough to gain coverage and have no preexisting condition, their coverage can be canceled if they have the misfortune to become sick—even after paying premiums for years.

One consequence of the current system is job lock. Workers who want to change jobs to improve their careers or provide a better standard of living for their families must give up the opportunity because it means losing their health insurance. A quarter of all American workers say they are forced to stay in a job they otherwise would have left, because they are afraid of losing their health insurance.

I am proud to have joined Senator KASSEBAUM in introducing legislation that will address these problems effectively. The Kassebaum-Kennedy Health Insurance Reform Act is a health insurance bill of rights for every American and for every business as well.

The legislation contains many of the provisions from the 1994 health reform debate which received broad bipartisan support—such as increased access to health insurance, increased portability, protection of health benefits for those who lose their jobs or want to start their own business, and greater purchasing power for individuals and small businesses.

Those who have insurance deserve the security of knowing that their coverage cannot be canceled, especially when they need it the most. They deserve the security of knowing that, if they pay their insurance premiums for years, they cannot be denied coverage

or be subjected to a new exclusion for a preexisting condition because they change jobs and join another group policy, or because they need to purchase coverage in the individual market. Business—especially small businesses—deserve the right to purchase health insurance for their employees at a reasonable price.

Our Health Insurance Reform Act addresses these fundamental flaws in the private insurance system. The bill limits the ability of insurance companies to impose exclusions for preexisting conditions. Under the legislation, no such exclusion can last for more than 12 months. Once someone has been covered for 12 months, no new exclusion can be imposed as long as there is no gap in coverage—even if someone changes jobs, loses their job, or changes insurance companies.

The bill requires insurers to sell and renew group health policies for all employers who want coverage for their employees. It guarantees renewability of individual policies. It prohibits insurers from denying insurance to those moving from group coverage to individual coverage. It prohibits group health plans from excluding any employee based on health status.

The portability provisions of the bill mean that individuals with coverage under a group health plan will not be locked into their job for fear that they will be denied coverage or face a new exclusive for a preexisting condition. The portability provisions will benefit at least 25 million Americans annually, according to the General Accounting Office. In addition, these provisions will provide greater security for the 131 million Americans currently covered under group health plans.

The bill will also help small businesses provide better and less expensive coverage for their employees. Purchasing cooperatives will enable small groups and individuals to join together to negotiate better rates in the market. As a result, they can obtain the kind of clout in the marketplace currently available only to large employers.

The bill also provides great flexibility for States to meet the objective of access to affordable health care for individuals who leave their group health plans.

During the debate on health reform in the last Congress, even the opponents of comprehensive reform urged Congress to pass at least the reforms that everyone supported—portability of coverage, guaranteed availability of coverage, and limitations on exclusion for preexisting conditions. These are exactly the provisions included in this bill.

The Health Insurance Reform Act is a modest, responsible, bipartisan solution to many of the most obvious abuses in the health insurance market place today. The bill was approved by the Senate Labor and Human Resources Committee last August by a unanimous vote of 16 to 0. It is now co-

sponsored by 40 Senators—20 Republicans and 20 Democrats. It is similar to proposals made by President Clinton in his recent balanced budget plan.

The measures it includes are also virtually identical to provisions of legislation offered by Senator DOLE in the last Congress. Sponsors range from the most conservative Members of the Senate to the most liberal—because these reforms represent simple justice. They are not issues of ideology or partisanship.

Support for the bill by outside groups is equally broad. Those who have expressed their support for the legislation include the Chamber of Commerce, National Small Business United, the National Association of Manufacturers, the ERISA Industry Committee, the Association of Private Pension and Welfare Plans, the National Governors' Association, the National Association of State Insurance Commissioners, the insurance companies in the Alliance for Managed Care, the American Medical Association, and the Consortium for Citizens with Disabilities.

In fact, the only opposition to this legislation comes from those who profit from the abuses in the current system.

In his State of the Union address, President Clinton challenged Congress to pass this bill. A few Senators have placed secret holds on the bill in an attempt to kill it. They know that if the legislation is brought to the floor of the Senate, it will pass overwhelmingly. The only thing blocking action is the scheduling of the floor debate.

So I join Senator KASSEBAUM in urging Majority Leader DOLE to bring this bill to the floor. It is time to break the log jam. The American people deserve action—and they deserve it now.

Mr. President, I yield whatever time remains to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has 10 minutes.

Mrs. HUTCHISON. Thank you, Mr. President.

#### BALANCED BUDGET

Mrs. HUTCHISON. Mr. President, I thank the Senator from Massachusetts for yielding the rest of his time, because I want to talk about the very important issue that I think all Americans are looking at right now, and that is the balanced budget and what is going to happen here and what will be the result after we finish the negotiations.

The great philosopher, Yogi Berra, once said, "When you come to a fork in the road, take it."

We are at a fork in the road in this country, and I think the American people are beginning to see how very difficult it is when you have a President and Congress on very different tracks, on very different tracks about what they believe is the right course for our country.

We in Congress believe that we must change the direction of our country,

that we have been hurling, in deficits upon deficits upon deficits, our economy into oblivion.

So we promised in 1994 that we would change the way they do business in Washington, that we would stand firm for a balanced budget. And now we have put forward a very responsible plan to do exactly that.

Our balanced budget is over 7 years. Many of us go around the country talking about 7 years. Why 7 years? Why not 5 years? Why not 10 years? Would it be easier if it were 10 years?

Seven years is very important, because 7 years was what we reasonably believed we could achieve with numbers that we could estimate with a prediction that would be reasonable. We believe that we can predict over 7 years. Any more than that would be very hard.

There will be changes in Congress. Will there be the same commitment? Will the promises be the same? Those would be the questions if we went beyond 7 years.

Why not shorter? Why not 5 years? We believed that cutting spending and cutting the rate of growth of spending in such a drastic way might hurt our economy by causing a recession, having some sort of drastic impact. That is why we believed 7 years was achievable by slowing the rate of growth rather than cutting spending in such a harsh way that we might have a recession, but yet to be predictable. That is why 7 years.

Now we have the nugget of the problem. The nugget of the problem is what we are going to do with Medicare, Medicaid, welfare reform, and the tax cuts. I think you have heard people speaking on the floor in both Chambers of the Congress for the last few days about the tax cuts. Some people think they are terrible. Some people think it is awful to consider giving money back to the people who earned it. I do not subscribe to that theory, but it is one of the nuggets upon which the President and the Republicans in Congress disagree. So let us talk about these nuggets.

The President says we can come together on the numbers if we can just put aside welfare reform, Medicaid reform, and Medicare reform. I think the President of the United States knows that if you put aside those three items, you are not going to be able to talk about taking the first step to a balanced budget, because if you do not reform the two basic entitlements, Medicaid and welfare, you will not have a balanced budget.

It is not a matter of how much we spend, it is a matter of who makes the decisions. Is it going to be the Federal Government dictating to the States, or is it going to be the State's right to decide what is best for the people of that State and to have the money from the Federal Government without the strings so they can do it more efficiently? That is the only way it will work.

But the President believes that we must keep welfare and Medicaid with the Federal strings. He will not allow entitlement reform, and that is the crux of the disagreement between the President and Congress. We cannot set those things aside and have any predictability. So we are saying, give Medicaid to the States to produce their own programs in the most efficient way, and we are giving the President the ability to change our welfare system in a most responsible and unique way. And that is to turn it back to the States with very few strings, and the strings are that there will be limitations on how long an able-bodied person can receive welfare. It would be 18 months and a lifetime limitation of 5 years.

I know a number of people who are barely making ends meet. It is very important for these hard-working, tax-paying citizens to know that if they are going to work hard to do something for their families that they are not supporting people who can work but do not. Mr. President, that is the welfare reform package.

The President vetoed our welfare reform package, but we have not seen a substitute from the President. If he is going to take off the table that we would have entitlement reform, then we will not be able to have welfare reform because it will continue to grow out of control, just as it has for years in this country.

Tax cuts—that is the other major issue, that and Medicare reform. Let us talk about Medicare reform because that is the third piece of the reform package. We are trying to save the Medicare system. The President's own Cabinet officers have said publicly we start this year going into a deficit in our Medicare system. This year we will spend more than we take in, and we will use up the trust fund by the year 2002. Now, that is the fact.

So what can we do to save it? In fact, we are slowing the rate of growth of Medicare at an even slower rate of growth than the President presented himself in his own health care plan. We are going to save the Medicare system if the President will work with us. So far, he has refused to do that.

Now let us talk about tax cuts, the other issue upon which we disagree so strongly.

I think it is a legitimate question, why tax cuts when we are trying to bring down the deficit? It is all part of the package that would ease the impact on the economy. If we are going to slow the rate of growth of spending, that is going to have an impact on the economy. It is going to stop spending in some areas to which people have become accustomed. People who provide these services are going to get less.

So in order to ease that transition, we have decided to put money back in the system, not by more Government programs but by giving people back the money that they earned. We are letting them have the right to spend their

money. And by allowing them to do that, we will spur the economy, where we have slowed it down in the slowing of the rate of spending. So we now have tax cuts that will go to the middle-income families of this country—a \$500 per child tax credit. So a four-person family with two adults and two children will get \$1,000 back in the mail. Now, that is going to help them be able to spend that money for their families.

Capital gains tax relief. We are trying to spur the economy by allowing people to sell assets and trade assets, and that is going to put more money into the economy. All of the economists agree on that. It will put money and investment into our capital, so that we will be able to have the jobs that that will create. We are going to spur jobs by having capital gains tax relief.

The third area is one that I have worked on since I came to the U.S. Senate, and that is equity for our homemakers in this country for their retirement security. We talk about the importance of the work done inside the home. Mr. President, I think the work done inside the home is more important than the work done outside the home. Yet, we say to a homemaker, "You cannot set aside \$2,000 a year like those who work outside the home are able to do." So the homemaker, who is sacrificing to stay home and raise children will have the added disadvantage of not having the security in retirement that can be built up with the full \$2,000 set aside; or if the homemaker loses his or her spouse after 15 or 20 years of marriage, there he or she is without that security in his or her own name that would allow that security to be there for their futures.

Mr. President, that is why we have tax cuts, so that we can provide more of an incentive for people to save. We have a new IRA that would apply to homemakers, as well as those who work outside the home, so they could put money aside that will build up tax free, and when you take it out, you will not have to pay taxes on any of that income. Now, that will be a spur for retirement security for our seniors. When you put that incentive in, now you are going to have the ability for people to take care of themselves better in their retirement years. Mr. President, that will make for a more stable America.

So we are fighting for a strong and stable America. We are really fighting for what made this country strong in the first place. Strong families built this country. If we are able to give tax breaks to families and more incentives to save for retirement security, that is going to strengthen the American family. That is one of the good results of tax cuts and allowing people to spend more of their own money.

So, Mr. President, we are at a fork in the road and we have a choice. We are standing for getting this country back on the right road so that we will have a strong America and the opportunity that a strong America will give for our children.

Mr. President, that is what the budget fight is about. That is why it has been so difficult, because our vision for the future of our country may be the same as the President's vision, but our ways of getting there differ greatly.

We believe that the only way we can make our country strong again is to stand firm for a 7-year balanced budget, with help for our families, giving incentives to people to save and invest, and giving people back the money they worked so hard for. Mr. President, we are standing for the hard-working, tax-paying, middle-class people of this country that deserve a break, and we are trying to give it to them. That is what this impasse is all about.

Mr. President, I yield the floor.

Mr. CHAFEE. I ask unanimous consent that I may be permitted to proceed for 10 minutes as in morning business.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

#### THE "NORTH CAPE" OILSPILL

Mr. CHAFEE. Mr. President, last Friday, January 19, the barge *North Cape* ran aground on a sandbar off the coast of my home State of Rhode Island. It is estimated that more than 800,000 gallons of No. 2 diesel heating oil aboard the barge spilled into Block Island Sound, making this the worst oilspill in Rhode Island's history.

Alarming, the *North Cape* is grounded 100 yards offshore of the Trustum Pond National Wildlife Refuge, an area set aside as an inviolate sanctuary for migratory birds. So far, oil has penetrated salt ponds in the refuge, and along the southern coast, including Point Judith Pond, an important spawning area for winter flounder. The spill's effect may continue to have adverse impacts on fish and wildlife now that oil has entered the natural food chain in the area.

The cost to my State's environment and economy will be steep. Already, more than 11,000 lobsters have been killed by the spilled oil. Their carcasses, and those of clams, starfish, and other sea creatures, litter southern Rhode Island beaches. The Fish and Wildlife Service has collected over 300 oil-logged birds, of which more than 100 are dead, and 1 dead seal. Sadly, volunteers keep bringing in more casualties.

Because Rhode Island relies heavily on its coastal resources, the financial toll of the spill is heavy. Governor Almond has declared a state of emergency and has requested Federal disaster relief. According to Timothy Keeney, director of the Rhode Island Department of Environmental Management, damage to marine industries ultimately could run into the tens of millions of dollars.

I wish I could say that Rhode Island is a stranger to oilspills. Unfortunately, as recently as 1989, the *World Prodigy* oil tanker ran aground on Brenton Reef and leaked 420,000 gallons

of oil into Narragansett Bay. And there have been a number of other spills over the years.

A constant theme in these crises has been the generosity and sacrifice demonstrated in the response of Rhode Islanders. Their response to the current spill is no exception. Volunteers—as many as 500 a day—have been pitching in energetically: bathing waterfowl, cleaning beaches, donating paper towels. It is inspiring to see individuals band together in an effort to combat a potential environmental disaster.

In addition, local environmental and emergency-preparedness officials have dropped everything. Federal workers are giving their all. My hat is off to these Government workers; people like Joe Dowhan and Paul Casey of the Fish and Wildlife Service, and Charlie Hebert, our Rhode Island Refuge Manager, who spent the first 36 hours of the crisis on his feet. Our State owes a debt of gratitude to all who have rolled up their sleeves.

While the willingness of Rhode Islanders to respond to this spill has been the same as in years past, one thing is different this time around. That is the fact that there is in existence comprehensive Federal oilspill legislation, the Oil Pollution Act, which Congress enacted in 1990. While many questions remain to be answered about why the *North Cape* spill occurred, the provisions of OPA 90 ensured that advance planning had been undertaken to expedite the response to the disaster. The law will also ensure that parties injured by the spill will receive compensation.

OPA 90 established a new national planning and response system to provide for more expeditious and well-organized responses to oilspills wherever and whenever they might occur. The system relies on a host of groups of experts and agency officials at numerous levels, including a National Response Unit, Coast Guard strike teams, 10 Coast Guard district response groups, and area committees. This structure ensures that battle stations are manned with alacrity. The immediate deployment of booms and other barriers along the south county shoreline, to keep the oil from contaminating fragile habitat, speaks to the wisdom of having such a response system in place at all times.

Furthermore, OPA 90 is designed to make sure that the polluter pays. In the case of the *North Cape*, its owner, Eklof Marine, based in Staten Island, has laudably come forward to accept responsibility for this accident. The company has provided ships, manpower, and other resources to assist in the cleanup.

As for the fishermen and others whose livelihood and property have been harmed by the oil, OPA 90 entitles them to compensation for their economic losses. The act mandates that a vessel that discharges oil is liable for the costs of the ensuing cleanup and damages, including those caused by

loss of profits or impairment of earning capacity.

The act also provides that the Government, acting as public trustee for injured natural resources, may seek damages to restore the resources. This means that damages would be available to restore the fish and wildlife in Rhode Island's sensitive coastal areas, including habitat within the national wildlife refuge.

OPA 90 establishes four other categories of damages for which compensation is provided:

First, owners of real or personal property may seek damages for any economic loss arising from destruction of their property.

Second, a person who relies on injured natural resources for subsistence may seek damages for injury to those resources.

Third, the Government may seek damages for loss of tax revenue resulting from the spill.

Fourth, the Government may seek damages for net costs of providing additional public services necessary during or after cleanup of the spill.

Moreover, OPA 90 requires vessel owners to demonstrate evidence of financial responsibility at least up to the amount of a statutory liability cap—in the case of the *North Cape*, \$10 million. Should claims be denied or left unsatisfied by the responsible party, OPA expanded the list of items for which compensation may be sought from the Oil Spill Liability Trust Fund. The fund currently contains more than \$1 billion. In contrast, the former Clean Water Act Fund designated for oilspill cleanup was nearly bankrupt at the time of the *World Prodigy* spill. The current fund thus acts as a real safety net that helps guarantee payment of all damages arising from a spill.

Stepping back for a moment, the oilspill in Rhode Island is a perfect example of the need for strong environmental regulations. Thank goodness for OPA 90. Without it, the State and Federal Government would have been ill-prepared to cope with an oilspill of this magnitude, taking place in such rough weather conditions. Without it, Fish and Wildlife Service officials charged with the care of fragile waterfowl habitat would see many of their hard-won gains eroded, possibly for good. Without it, the lobster fishermen of southern New England would be robbed of their livelihood.

Just this week, the Washington Post reported on the results of a survey just completed by Republican pollster Linda DiVall, which—once again, I should emphasize—found strong, bipartisan backing nationwide for Federal laws that protect the environment. Ms. DiVall concluded that, "Attacking the Environmental Protection Agency is a nonstarter." We should be emphasizing the safeguarding of reasonable and balanced environmental protection done in a more efficient manner.

Just about everyone in Rhode Island—and, indeed, anyone who has