THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. RICHARD C. ALLEN, 000–00–0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN J. MAZACH, 000–00–0000

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be admiral

ADM. WILLIAM A. OWENS, 000–00–0000

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 17 nomination lists in the Air Force and Army, which were printed in full in the RECORDS of September 19, 1995, November 28, 1995, December 4, 1995, and December 18, 1995, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of September 19, and November 28, December 4, and 18, 1995, at the end of the Senate proceedings.)

In the Army there are 1,655 promotions to the grade of major (list begins with David L. Abbott). (Reference No. 646.)

In the Air Force there are 30 appointments to the grade of second lieutenant (list begins with Todd D. Bergman). (Reference No. 733.)

In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with Ruth T. Lim). (Reference No. 734.)

In the Army there is 1 promotion to the grade of lieutenant colonel (Nelson L. Michael). (Reference No. 735.)

In the Army there are 14 promotions to the grade of colonel (list begins with Robert L. Ackley). (Reference No. 736.)

In the Army Reserve there is 1 appointment to the grade of lieutenant colonel (Paul A. Ostergaard). (Reference No. 737.)

In the Army there are 41 promotions to the grade of lieutenant colonel (list begins with Charles W. Baccus). (Reference No. 738.)

In the Army there are 30 promotions to the grade of major (list begins with Mark E. Benz). (Reference No. 739.)

In the Army there are 106 appointments to the grade of colonel and below (list begins with Vincent B. Bogan). (Reference No. 740.)

In the Air Force there are 3.099 appointments to the grade of captain (list begins with James P. Aaron). (Reference No. 741.)

In the Army there are 363 promotions to the grade of colonel (list begins with Alvin D. Aaron). (Reference No. 742.)

In the Air Force there are 928 appointments to the grade of second lieutenant (list begins with Carlos L. Acevedo). (Reference No. 743.)

In the Air Force Reserve there are 23 promotions to the grade of lieutenant colonel (list begins with William C. Alford). (Reference No. 752.)

In the Air Force there are 12 appointments to the grade of colonel and below (list begins with Rogelio F. Golle). (Reference No. 753.)

In the Army Reserve there are 11 promotions to the grade of lieutenant colonel (list begins with William Hayes-Regan). (Reference No. 787.)

In the Army Reserve there are 38 promotions to the grade of colonel and below (list begins with Michael C. Appe). (Reference No. 788.)

In the Air Force Reserve there are 98 promotions to the grade of colonel (list begins with Dwayne A. Alons). (Reference No. 789.)

Total: 6,469.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1529. A bill to provide for the Federal treatment of certain relocating National Football League franchises, and for other purposes; to the Committee on Finance.

By Mr. BUMPERS:

S. 1530. A bill to create a government corporation to own and operate the Naval Petroleum Reserves and Naval Oil Shale Reserves, and for other purposes; to the Committee on Armed Services.

By Mr. MCCAIN:

S. 1531. A bill to reimburse States and their political subdivisions for emergency medical assistance provided to illegal aliens under their custody as a result of Federal action; to the Committee on the Judiciary.

By Mr. SIMON:

S. 1532. A bill to provide for the continuing operation of the Office of Federal Investigations of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MCCAIN:

S. 1533. A bill to provide an opportunity for community renewal and economic growth in empowerment zones and enterprise communities, and for other purposes; to the Committee on Finance.

By Mr. HATFIELD (for himself and Mr. KENNEDY):

S. 1534. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ABRAHAM:

S. 1535. A bill to strengthen enforcement of the immigration laws of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMPSON:

S. 1536. A bill to amend title 18, United States Code, to permit Federal firearms licensees to conduct firearms business with other such licensees at out-of-State gun shows; to the Committee on the Judiciary.

By Mr. ROBB (for himself, Mr. DASCHLE, and Mr. SIMPSON):

S. 1537. A bill to require the Administrator of the Environmental Protection Agency to issue a regulation that consolidates all environmental laws and health and safety laws applicable to the construction, maintenance, and operation of above-ground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GLENN (for himself and Mr. GORTON):

S. 1538. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of excess benefit arrangements of certain tax-exempt group medical practices, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 1539. A bill to establish the Los Caminos del Rio National Heritage Area along the Lower Rio Grande Texas-Mexico border, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1540. A bill to amend chapter 14 of title 35, United States Code, to preserve the full term of patents; to the Committee on the Judiciary.

By Mr. LUGAR (for himself, Mr. DOLE, Mr. HELMS, Mr. COCHRAN, Mr. CRAIG, Mr. GRASSLEY, Mr. PRESSLER, and Mr. COVERDELL):

S. 1541. A bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; read the first time.

By Mr. ABRAHAM (for himself and Mr. LIEBERMAN):

S. 1542. A bill to amend the Internal Revenue Code of 1986 to provide for the expensing of environmental remediation costs in empowerment zones and enterprise communities; to the Committee on Finance.

By Mr. KERREY:

S. 1543. A bill to clarify the treatment of Nebraska impact aid payments; considered and passed.

By Mr. DORGAN (for himself and Mr. CONRAD):

S. 1544. A bill to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota; considered and passed.

By Mr. SPECTER (for himself and Mr. HOLLINGS):

S.J. Res. 48. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

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. 213. A resolution commending Senator Sam Nunn for casting 10,000 votes; considered and agreed to.

By Mr. BROWN:

S. Res. 214. A resolution to express the Sense of the Senate concerning the payment of social security obligations; to the Committee on Finance.

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, and Mr. MOYNIHAN):

S. Res. 215. A resolution to designate June 19, 1996, as ''National Baseball Day''; to the Committee on the Judiciary.

By Ms. SNOWE (for herself and Mr. COHEN):

S. Res. 216. A resolution to express the sense of the Senate that if a $1 coin is minted to replace the $1 bill, the Secretary of the Treasury should be authorized to mint and circulate $1 coins bearing the likeness of Margaret Chase Smith; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1529 A bill to provide for the Federal treatment of certain relocation

National Football League franchises, and for other purposes; to the Committee on Finance.

THE TEAM RELOCATION TAXPAYERS PROTECTION ACT OF 1996

Mr. DEWINE. Mr. President, I rise today to introduce, along with my distinguished colleague from Ohio, Senator JOHN GLENN, legislation that will get U.S. taxpayers out of the business of subsidizing NFL franchise moves.

It is clear by now that these franchise moves have a very substantial impact not only on communities, on the economy, but also, frankly, on the future of professional sports.

Mr. President, I have already on this floor in days past addressed at length the question of the proposed move of the Cleveland Browns to Baltimore. I believe, as do many Ohioans—indeed, as do many Americans—that this move is simply wrong. I have discussed on this floor the great tradition of the Browns, the love the people of Cleveland and the people of Ohio have for the Browns.

Candidly, whether you care about the Browns or do not, whether you are a sports fan or not a sports fan, you and every taxpayer are paying for this move—every taxpayer in the entire country. Whether you live in Cleveland, OH, or Los Angeles, CA, the Federal Government is reaching into your pocket to pay for this move. I believe the taxpayers will be shocked to know this, and they should be. The sports fan who have followed all the back and forth of this move, very few of them are aware today as I speak from the Senate floor that the Federal Government, is subsidizing this purported move by $36 million—$36 million of taxpayers' money.

That provides the occasion and the rational and the public policy reason for the legislation Senator GLENN and I are introducing today. Quite frankly, I can see no moral justification for taxpayers, for the people of Cleveland or anywhere else to reward a sports team with public money to assist that team in breaking its word and deserting the community. I believe that to do this is unconscionable and is simply wrong.

Let me put it in real terms. To force a family in Parma, OH, or Euclid, or in Cleveland, or in Columbus, OH, to take there tax dollars, to send them to Washington and to have Washington turn around and subsidize Baltimore, MD, to steal the team from the Browns and to do it with $36 million in Federal taxpayers' money makes absolutely no sense. I believe that we must stop the insanity. We must act to get the Government out of this subsidy business.

Mr. President, today, more and more public money is being used to support professional football franchises. Communities are making significant public investments to lure and keep NFL teams in there area. In each one of these cases, in return for the public investment, teams are agreeing to stay in the community for a specifically defined period of time. There is a deal made. The local community will offer financial incentives, will support the team, and in return the owner agrees to stay in that community during the term of the lease. It is fairly simple. Unfortunately, however, some franchises are breaking their part of the deal by seeking to relocate before the term of the deal has expired, before the lease is over.

That is why I am introducing legislation that will get the Federal taxpayer out of the business of subsidizing this particular kind of relocation. The enactment of this bill will result, frankly, in less Government involvement in professional sports, not more. Under the current system, when a city or State wants to raise funds to build a stadium and thereby secure a professional team, it authorizes a governmental entity such as a stadium authority to issue bonds. In other words, to sell the debt to anyone who wants to buy the debt. The stadium authority can then use the proceeds to build the stadium and the people who have invested pay no tax on the interest they earn—tax-free bonds. The tax exemption allows the stadium authority to pay lower interest rates and thus keep more money for itself. They can build the stadium at less of a cost—in this particular case in Baltimore it is $36 million less cost. That is the difference between issuing the bonds, building the stadium with taxable bonds versus building that stadium with nontaxable bonds.

Mr. President, because the bondholder does not pay Federal tax on interest, the interest amounts to a Federal subsidy for stadium authority bondholders. For example, in the case of the Browns move, this subsidy is worth, as I have stated, $36 million to the Browns.

The legislation that Senator GLENN and I are introducing today will prohibit the use of these Federal subsidies in bond deals associated with the relocation of an NFL team, when that team breaks an existing deal with the community that has supported the team. In short, new Federal subsidies under this bill cannot be used to help a team violate an existing commitment where that commitment includes public money.

The bill's criteria are straightforward. There are five separate criteria and each one of these has to be met before our bill applies: First, if the franchise is currently in a public facility; second, if the proposed relocation will be to a new public facility; third, if fan support in the current location, the current team's local area—in this case, Cleveland—has been at least 75 percent of stadium capacity in the preceding season; fourth, if the current lease with the public entity has not expired—in other words, they are breaking the lease; and fifth, if asked, voters in the current jurisdiction have approved the use of further tax dollars to improve the current facility or to build a new one.

If all five of these criteria apply, then our bill provides as follows: No expenditure of Federal funds including grants, awards, loans, guarantees, tax credits, exemptions, allowances or any use of Federal tax-exempt financing may be used to benefit the franchise seeking to relocate.

In short, Mr. President, if you own a football team and you want to break your lease and the local community has done everything it can to support the team, you can do it; Congress will not stop you, not under this bill, but—but—the Federal taxpayers will not help you do it. They will not encourage you with a subsidy to do it. The Federal taxpayers will not subsidize your breach of faith. That is the message that the bill will send to NFL owners. If you want to go build your own stadium, you can do that, too, but the Federal taxpayers will not help you do it. If you want to rely only on State, local dollars, not Federal dollars, you can do that, too, but Federal taxpayers simply will not help you do it. If you want to break a deal in the community and the community you are leaving has done everything it can to keep its part of the bargain, then the Federal taxpayer will not get involved.

Mr. President, it is important to discuss this issue in the context of everything else that is occurring today and this past year in Washington. In the Senate, we have been consumed with decisions on Federal spending. How can we slow the rate of growth of spending? What Federal budget should we pass? How can we balance the Federal budget? We are making very tough decisions on health care for poor people, welfare reform, Medicare, Medicaid, the education of our youth.

I do not need to tell anyone in this Chamber that these are very difficult decisions, but here is an easy decision. As I stated earlier, in just this case, the case of the Browns purported move to Baltimore, it is estimated that the Federal tax subsidy is $36 million. That is over and above any local taxpayer subsidy—$36 million of Federal tax money, $36 million that will benefit one professional sports franchise.

The American people want to know what we mean by corporate welfare. This, Mr. President, is corporate welfare. This is what we mean. Paying the Browns $36 million of Federal money is, simply, morally wrong.

For me, the question is, under our serious budget constraints, what in the world justifies taking $36 million from taxpayers, including the ones in Cleveland whose trust with the Browns has been broken, to pay for this move? Absolutely nothing justifies it.

Mr. President, I have spoken at length regarding the impact of sports franchise relocation on the communities that love their teams. I have mentioned the pride that the people of Cleveland, the people of all of Ohio have in the Browns. I have discussed the unbroken bonds of affection that stretch from the days after the Second

World War, when the Browns started playing in Cleveland, to today's fans who, frankly, still cannot believe that the Browns are trying to leave town. I will not replow that field here except to say simply this: Loyalty counts. Loyalty is not transferable.

The Cleveland story is very important precisely because the Browns are the heart and soul of Cleveland and because the people of Cleveland have done all they can to save the Browns. The Cleveland situation is, Mr. President, the worst-case scenario. If the Browns can leave Cleveland, any team can leave any town any time.

This was an ad that was paid for by Browns fans that appeared in USA Today. I think it pretty much summarizes the situation. If this can happen in Cleveland, Mr. President, this can happen to any team, to any sports fans in the country.

Mr. President, I ask unanimous consent for an additional 4 minutes.

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

Mr. DEWINE. Mr. President, in the last several weeks we have seen much activity surrounding the Browns' move to Baltimore. The State of Maryland has filed an antitrust lawsuit against the NFL. The city of Cleveland sued the Browns. The city of Cleveland also sued the city of Baltimore. Who knows, there may be more lawsuits coming.

My bill does one very important thing: It gets the American taxpayer out of the middle of all this. Whatever the economic factors that cause teams to go and to come, whatever the circumstances that lead city to sue city, teams to sue teams, and the league to sue teams and individuals, the American taxpayer should be left out of it. The taxpayers' burden is high enough. It is wrong to make the taxpayers pay.

My bill does not seek to manage the NFL team relocation process. It does not intend to have more regulation of the NFL. But it does say that the Federal Government will not help them leave and that the Federal taxpayers will not subsidize these moves.

Mr. President, I considered naming my bill after our beloved ''Dawgs'' and the hard-core Browns fans who are represented in this particular ad. You see in the ad the ''Big Dawg,'' who is certainly famous in Cleveland, around the country, a great fan looking at this empty stadium after the last home game. I considered naming my bill after the Dawgs, and the Dawgs, of course, is, in this case, spelled d-a-w-g-s.

In this case, the Dawgs would stand for ''don't allow welfare for greedy sports owners.''

While that title would express very accurately the deepest feelings of the people of Ohio, I have decided on a title that would tell all Americans why they should support this particular bill. I have called the bill the Team Relocation Taxpayer Protection Act. The bill is called the Team Relocation Taxpayer Protection Act.

If you are a taxpayer and you think we have better things to spend Federal money on than corporate greed, you should support this bill.

Mr. President, I ask unanimous consent that the full text of this bill, the Dawgs bill, the Team Relocation Taxpayer Protection Act, be printed in the RECORD.

Mr. SPECTER. Mr. President, before proceeding to the purpose for which I have sought recognition, I would like to express my support for the proposition outlined by the distinguished Senator from Ohio. I believe that Baltimore ought to have a football team, and that is the Colts. I think that Indianapolis is entitled to an expansion team.

I believe that Senator DEWINE has articulated the issue cogently and forcefully on a travesty which is being perpetrated on many American cities and on many American taxpayers. There is really a situation where sports teams are entrusted with a public interest.

The movement of the Dodgers from Brooklyn to Los Angeles was the start of pirating in America of sports franchises and should never have been allowed, accompanied by the movement of the Giants from New York to San Francisco.

We have seen that matter proliferate. It is hard to understand why the taxpayers of Maryland and Baltimore have to be in a bidding contest, which, as I understand it, approximates some $200 billion to bring a football team to Baltimore. Certainly Baltimore ought to have a football team, and it ought to be the Colts, which moved out of Baltimore in the middle of the night to go to Indianapolis.

American has a love affair with sports. I just came from a brief sporting event in the office of Senator KAY BAILEY HUTCHISON, where she and Senator SANTORUM and I articulated a bet on the Super Bowl game. If you cannot see this on C–SPAN 2, this is an unusual tie for me to wear. It is a Steelers tie.

I am going to be going to the Super Bowl, weather permitting and Senate schedule permitting. Who knows, we may be in session Sunday the way things are going. But I have participated in America's love affair with sports since I was a youngster in Wichita, KS, reading the box scores from the Wichita Eagle every morning because of my love and passion for baseball.

I have been attending the Phillies games and the Eagles games, and when I can, in Pittsburgh, the Pirates games and the Steeler games because of my love of the sport. It is tremendously exciting.

Just basically, it is unfair for the Browns—I was about to say the Indians—for the Browns to be taken out of Cleveland. I hope we can do something about it. I hope that with the complications of free agency and franchise removal, salary caps and revenue sharing, that we will be able to address this matter in a sane way in the Congress.

Baseball enjoys an antitrust exemption. Football enjoys a limited antitrust exemption from revenue sharing for television. I believe those sports are under an obligation to work out the rules so that the teams do not get themselves pirated from one city to another.

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. 1529

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 ''Team Relocation Taxpayer Protection Act of 1996''.

SEC. 2. TREATMENT OF RELOCATING NATIONAL FOOTBALL LEAGUE FRANCHISES.

(a) EFFECT ON INTERSTATE COMMERCE.—

(1) FINDINGS.—The Congress finds that the conduct of a National Football League franchise occurs in interstate commerce and has a substantial effect on interstate commerce and that when the facts and circumstances described in subsection (c)(1) are combined, there arises substantial potential for harmful effects on interstate commerce.

(2) PURPOSE.—The purpose of this section is to deter such harmful effects.

(3) NO PREEMPTION OF STATE OR LOCAL ACTIONS.—Such other actions as may be taken by a State or local governmental unit or entity referred to in subsection (c)(1)(A) to address the facts and circumstances described in subsection (c)(1) are not preempted by this section and do not burden interstate commerce.

(b) FEDERAL TREATMENT.—Notwithstanding any other provision of law—

(1) any entity or person described in paragraph (1) or (2) of subsection (c)—

(A) may not benefit, directly or indirectly, from any expenditure of Federal funds, and

(B) shall not be allowed any Federal tax exclusion, deduction, credit, exemption, or allowance,

in connection with or in any way related to the relocation of a National Football League franchise of an entity or person described in subsection (c)(1); and

(2) the interest paid or accrued on any bond, any portion of the proceeds of which is used or is to be used to provide facilities that are used or are to be used in whole or in part by any entity or person described in paragraph (1) or (2) of subsection (c), shall not be exempt from any Federal tax.

(c) ENTITY OR PERSON DESCRIBED.—For purposes of this section—

(1) GENERAL DESCRIPTION.—An entity or person is described in this paragraph if—

(A) the entity or person has conducted regular season home football games through ownership of a franchise in the National Football League in facilities—

(i) which are owned, directly or indirectly, by a State or local governmental unit or entity, or

(ii) which are financed by a Federal, State, or local governmental unit or entity;

(B) the entity or person has publicly announced that such entity or person has the intention to conduct such football games outside the facilities described in subparagraph (A) before the expiration of the period during which such governmental unit or entity has authorized the entity or person to use such facilities;

(C) the entity or person has publicly announced that such entity or person has the

intention to conduct such football games in facilities—

(i) to be owned, directly or indirectly, by a State or local governmental unit or entity, or

(ii) to be financed by a Federal, State, or local governmental unit or entity;

(D) in the National Football League season preceding the announcement of the intention of the entity or person to relocate, attendance at the regular season home football games of such entity or person averaged at least 75 percent of normal capacity as previously published by the National Football League with respect to such season; and

(E) within the period of 1 year before or after such announcement by the entity or person, an election or referendum has been held by the State or local governmental unit in which the facilities described in subparagraph (A) are located and the voters have approved a tax increase or extension of a tax, or have failed to repeal any such tax increase or extension, intended by such governmental unit to be used as part of the financing for improved facilities or new facilities for such football games of such entity or person.

(2) RELATED PERSON.—

(A) IN GENERAL.—An entity or person is described in this paragraph if such entity or person is a related person to an entity or person described in paragraph (1).

(B) APPLICATION OF CERTAIN RULES.—For purposes of this paragraph, a person or entity shall be treated as a related person to an entity or person described in paragraph (1) if—

(i) under the terms of section 144(a)(3) of the Internal Revenue Code of 1986, such person or entity would be treated as a related person to an entity or person described in paragraph (1), or

(ii) such person or entity is a successor in interest to an entity or person described in paragraph (1) or to any related person.

(C) RULES REGARDING CERTAIN RELATIONSHIPS.—In determining whether a person or entity is a related person to an entity or person described in paragraph (1), the rules of sections 144(a)(3), 267, 707(b), and 1563 of the Internal Revenue Code of 1986 shall be applied—

(i) by substituting ''at least 25 percent'' for ''more than 50 percent'' each place it appears therein and by determining such percentage on the basis of the highest percentage of the stock or other indices of ownership that any person or entity has owned directly or indirectly at any time after December 31, 1991,

(ii) by treating a person's step-children or step-grandchildren as the person's natural children or grandchildren, and

(iii) by treating all children and step-children of such person as if they have not attained the age of 21 years.

(d) BANKRUPTCY VENUE.—Notwithstanding any other provision of law, including titles 11 and 28 of the United States Code, any case under such title 11 with respect to an entity or person described in paragraph (1) or (2) of subsection (c) may be commenced only in the district court for the judicial district in which the principal place of business in the United States of such entity or person has been located during the greatest part of the 3-year period immediately preceding the commencement of such case.

(e) EFFECTIVE DATE.—This section shall apply to—

(1) any expenditure of Federal funds on or after the date of the introduction of this Act,

(2) any case commenced under title 11, United States Code, after November 1, 1995, and

(3) any Federal tax exclusion, deduction, credit, exemption, or allowance for any taxable period ending after December 31, 1994.

Mr. GLENN. Mr. President, I rise today in strong support of the legislation being offered by my colleague from Ohio. We have worked together very closely on the whole issue of professional sports team relocation. It should come as no surprise this is an issue that hits home for the people of our States.

Organized, professional sports have always played a prominent role in American life. Individuals, cities, States, and even the entire nation have come together and rallied around sports teams. And professional sports teams have helped local economies rally and revitalized our inner cities, creating whole new sectors of economic opportunity.

This week, many Americans' eyes are on Tempe, AR, where the Dallas Cowboys will take on the Pittsburgh Steelers to determine who will win a fifth NFL championship. Think of some of the other major sports events that have riveted the nation's attention over the past months.

How about those Cleveland Indians and their amazing season which culminated in a World Series appearance?

Who hasn't heard all the talk this winter about the return of Michael Jordan and the Chicago Bulls' dominance of the NBA.

And who can forget the elation we all felt watching Cal Ripken, Jr., take his historic lap around Camden Yards?

What can be more American, or says more about our country, than stories such as these? Or how we bask in a team's victories, commiserate over the losses, and cheer exciting and dramatic exploits on the field or on the court?

But there is a story that overshadows these and threatens this spirit, that is community pride. Of course, I am speaking of team relocation. And the relocation which has shocked the nation involves the Cleveland Browns. Let me tell you a little about Cleveland and the Browns.

The Cleveland Browns have been a symbol of undying and unwavering fan support. Week after week, 70,000 people cram into Lakefront Memorial Stadium to root on the Browns. The ''Dawg Pound'' is a national symbol of fan support. Through 3–13 seasons, 13–3 season, exciting play-off victories, demoralizing play-off defeats, Browns fans have been through it all and still support their team.

There's no talk of getting on or off a bandwagon in Cleveland—every fan is there, through thick and thin.

That's what makes the announcement that the Browns intend to desert their home of 50 years the toughest to take. The Browns have enjoyed backing from generations of fans, only to be told that it doesn't matter.

Well, it does matter. It matters to the season ticket holder who has been going to games for 30 years. It matters to the worker who sells hot dogs at the stadium. It matters to businesses selling Browns t-shirts, hats, and other paraphernalia. It matters to restaurants and hotels that cater to fans and players. It matters to those raised as Browns fans looking forward to passing along that tradition.

It should matter to every football, baseball, hockey, and basketball fan across the country, because if it can happen to Cleveland, it can happen to you.

And it should matter to every single taxpayer in America who are going to end up footing part of the bill for the Browns' move and others as relocation fever sweeps the country. It's shocking, but Federal tax subsidies are going to help ease the cost of the Cleveland Browns' relocation. It absolutely makes no sense that we should allow taxpayer dollars to back up this kind of deal.

Why should taxpayers in Cleveland, or any American city, help foot the tab for their local team to pull stakes and move to another city? Talk about adding insult to injury. That's why I am pleased to join my colleague from Ohio today in introducing this legislation.

Let me stress that this legislation does not put an all-out ban on the use of public money in such situations. In fact, it is a very narrowly tailored bill which says: if a team already took advantage of tax dollars to build its existing stadium; and there has been tremendous fan loyalty and support; and voters in the current jurisdiction have approved of the means to improve the team's current facility or build a new one; and the team's current lease has not expired; then, we're not going to allow Federal tax dollars to subsidize the move.

I think that's pretty reasonable. We shouldn't be in the business of giving Federal tax subsidies to a team that already received the benefit of public money to build their existing stadium, that intends to turn its back on loyal fans and a community commitment to build or improve their stadium, and a team that has broken its lease—that team should not receive a Federal tax subsidy.

Right now, Washington is embroiled in a very nasty and partisan debate about how our Government can reach a balanced budget. One of the key issues in this debate centers on tax cuts—who should get them, who shouldn't benefit.

Well, I put to my colleagues the question: should tax breaks go to professional sports teams when they turn their back on an ironclad commitment that is already backed by a Federal subsidy? I'm sure my colleagues and all Americans know the answer to that question.

The Senate has a unique opportunity to start putting an end to the chaos in professional sports. The bill we are introducing today is the second step in that effort. I intend to continue pushing our Fans Rights Act through Congress. We still need to grant leagues a limited anti-trust exemption related to team transfers. I am pleased that many of the witnesses at a Judiciary Committee yesterday agreed with this

point. I hope there is Senate action on that bill, and the one we are introducing today, early this season.

Mr. President, I am pleased to have worked with my colleague from Ohio on this important legislation. It will provide a solution to a serious, yet limited, problem. I urge all Senators to support this bill.

By Mr. BUMPERS:

S. 1530. A bill to create a government corporation to own and operate the naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

THE NAVAL PETROLEUM RESERVES AND NAVAL OIL SHALE RESERVES CORPORATIZATION ACT OF 1996

• Mr. BUMPERS. Mr. President, I introduce the Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1996. This bill would: First, create a government corporation to own and operate the naval petroleum reserves and naval oil shale reserves; and second, authorize the privatization of the corporation within 5 years if the taxpayers receive a fair return.

The naval petroleum reserves consist of three fields: Elk Hills in California; Buena Vista Hills in California and Teapot Dome in Wyoming. The Federal Government owns 100 percent of both Buena Vista Hills and Teapot Dome. However, the Government owns only 78 percent of Elk Hills. The remaining 22 percent is owned by Chevron. Elk Hills is by far the most significant area, making it one of the largest fields in the United States. In fact, Elk Hills produces approximately $400 million per year in revenues for the Federal Treasury.

Similarly, there are three naval oil shale reserves. Naval oil shale reserves 1 and 3 are located in northwest Colorado. Naval oil shale reserve 2 is located in eastern Utah. Unlike the Naval Petroleum reserves, there is no production from the oil shale reserves because development of oil shale is not currently economical. However, there is also recoverable natural gas.

Both the administration and the majority party in Congress have, at various times, proposed that the naval petroleum reserves be sold and the administration has also proposed that two of the three oil shale reserves be privatized as well. While I am not necessarily opposed to the notion of removing the Government from the oil production business, I am troubled that the various proposals do not put the taxpayers' interests first. The Congressional Budget Office [CBO] has estimated that the sale of the naval petroleum reserves as originally proposed would produce $1.55 billion in receipts. CBO also determined that the sale would actually cost the Government $992 million over 7 years because the reserves would produce approximately $2.5 billion in revenues in the Government retains the assets during that same time period. While the CBO estimate does not take into account the appropriated expenditures made annually for operation and maintenance of the petroleum reserves, the sale of the assets would eliminate possibly billions of dollars worth of additional revenue that would be derived from the continued operation of the naval petroleum reserves over the life of the assets.

From 1987 until this year, Congress prohibited revenue derived from the sale of Government assets from being scored for budget purposes. I strongly opposed the change made to the asset sale scoring rule in this year's budget resolution for exactly the reasons exemplified by the proposed sale of the naval petroleum reserves. It makes no sense to sell an asset for some quick cash when, in the long run, the loss of revenues from the sold Government asset outweighs the funds derived from the sale. However, that is exactly what the budget rules now permit and, in fact, promote.

Mr. President, as I mentioned earlier, I am not necessarily opposed to the privatization of the naval petroleum reserves and the naval oil shale reserves. However, I am opposed to selling these assets for far less than they are worth to their current owners—the Americans taxpayers.

The bill I am introducing today is designed to ensure that the value of these assets are maximized. First, by creating a Government corporation, the naval petroleum reserves can be operated in a more efficient manner in the absence of burdensome restrictions placed on Government agencies. Second, the corporation will have the time to adequately evaluate the worth of the naval petroleum reserves and naval oil shale reserves to make sure that if they are sold, the taxpayers receive an adequate return. Finally, my bill authorizes the corporation to privatize, but only if the price paid by private investors is at least equal to the net present value if the corporation remained in Government hands.

Government corporatization is not a new idea. In fact, the Department of Energy [DOE] proposed creating a Government corporation to own and operate the naval petroleum reserves in 1993. An internal DOE analysis determined that a Government corporation is the option that would produce the greatest net present value associated with the naval petroleum reserves through 2040. In addition, in 1994 the National Academy of Public Administration [NAPA] recommended that the naval petroleum and oil shale reserves be owned and operated by a Government corporation. In fact, the Academy estimated that the net present value of the naval petroleum reserves, if they were owned by a Government corporation, would be $4.1 billion. This is far greater than the $1.55 billion which CBO estimates the sale of the petroleum reserves would produce.

Mr. President, our constituents have sent us to Washington, in part, to act as their guardians by ensuring that their interests, as taxpayers, are protected. Our obligations are not limited to making sure that the funds provided by their taxes are spent wisely. It is also the duty of everyone in this body to require that when taxpayer-owned assets are disposed of, that the taxpayers receive a fair return. It is beyond belief that anyone could argue that selling the naval petroleum reserves for $1.55 billion is a better choice than creating a Government corporation to own and operate the reserves which will provide more than $4 billion adjusted for net present value.

Mr. President, I urge my colleagues to join me by cosponsoring the Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1996. I ask unanimous consent that the full 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. 1530

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 referred to as the ''Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1995''.

TITLE I—ESTABLISHMENT OF THE NAVAL PETROLEUM RESERVES CORPORATION.

SEC. 101. ESTABLISHMENT OF THE CORPORATION.

(a) There is established a body corporate to be known as the ''Naval Petroleum Reserves and Naval Oil Shale Reserves Corporation'' (referred to in this Act as ''the Corporation'').

(b) The Corporation is a for-profit, wholly owned Government Corporation subject to chapter 91 of title 31, United States Code (the Government Corporation Control Act). The Corporation is an agency of the United States, subject to annual apportionment under section 1512 of title 31, United States Code.

(c) JURISDICTION AND CONTROL.—The Corporation has exclusive jurisdiction and control over all of the Naval Petroleum Reserves and Naval Oil Shale Reserves.

SEC. 102. CORPORATE OFFICES.

The Corporation shall maintain an office for the service of process and papers in the District of Columbia, and is considered, for purposes of venue in civil actions, to be a resident of the District of Columbia. The Corporation may establish offices in any other place it determines necessary or appropriate in the conduct of its business.

SEC. 103. GENERAL POWERS AND FUNCTIONS OF THE CORPORATION.

The Corporation—

(a) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(b) may settle and adjust claims, sue and be sued in its corporate name, and be represented by its own attorneys in all administrative and, with prior approval of the Attorney General, judicial proceedings, including appeals from decisions of Federal courts;

(c) shall adopt and may amend and repeal bylaws, and may adopt, amend and repeal corporate orders and directives, governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(d) may acquire, purchase, lease, and hold the real and personal property it considers necessary to conduct its business;

(e) may sell, lease, grant, and dispose of property as it considers necessary to conduct its business;

(f) with the consent of the agency concerned, may utilize or employ the services, records, facilities, or personnel, of any Federal, State, or local government agency;

(g) may enter into contracts and incur liabilities;

(h) may retain or use up to $250 million annually of its revenues, without further appropriation, for reasonable capital and operating expenses of the Corporation;

(I) shall have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, and decedents' estates;

(j) may request from the Administrator of General Services the services the Administrator is authorized to provide agencies of the United States, and Administrator shall furnish the requested services to the Corporation on the same basis those services are provided agencies of the United States;

(k) may accept gifts or donations of services or of real, personal, mixed, tangible, or intangible property to conduct its business; the Corporation shall establish written rules setting forth the criteria to be used in determining whether the acceptance of gifts or donations of real, personal, mixed, tangible, or intangible property to conduct its business under this subsection would reflect unfavorably upon the ability of the Corporation or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or appearance of integrity of its programs or any official involved in those programs;

(l) may execute all instruments necessary or appropriate in the exercise of its powers;

(m) may acquire liability insurance or act as self-insurer;

(n) shall pay any settlement or judgment entered against it from the Corporation's own funds and not from the judgment fund established under section 1304 of title 31, United States Code; section 1346(b) and chapter 171 of title 28, United States Code do not apply to claims against the Corporation; and

(o) may request the Secretary of the Treasury to invest monies of the Corporation in public debt securities having maturities suitable to the needs of the Corporation, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding obligations of the United States of comparable maturity.

SEC. 104. SPECIFIC POWERS AND FUNCTIONS OF THE CORPORATION.

The Corporation—

(a) shall explore, prospect, develop, use, produce, and operate the Reserves to maximize the economic value of these properties to the Nation;

(b) may enter into joint, unit, or other cooperative plans, leases, or other agreements and transactions as may be necessary in the conduct of its business;

(c) subject to section 109(c) shall administer and may amend existing contracts, including the Unit Plan Contract, and other agreements transferred to the Corporation under section 109(a) of this subtitle;

(d) may construct, acquire, or contract for the use of storage and shipping facilities, and pipelines and associated facilities, on and off the Reserves, for transporting petroleum from the Reserves to the points where the production from the Reserves will be refined and shipped;

(e) may store, for appropriate reimbursement reasonably reflecting fair market value, petroleum owned or managed by other Federal agencies and instrumentalities and may store petroleum owned or managed by non-Federal entities at rates consistent with subsection (j) of this section;

(f) may acquire privately owned lands and leases inside the Reserves, or outside those Reserves on the same geologic structure, by exchange or contract, and in order to protect the Reserves from drainage, and if unable to arrange an exchange or contract, by purchase or condemnation;

(g) may acquire any pipeline in the vicinity of the Reserve not otherwise operated as a common carrier by condemnation, if necessary, if the owner refuses to accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at the Reserve;

(h) may acquire a right-of-way for new pipelines and associated facilities by eminent domain under the Act of February 26, 1931 (40 U.S.C. 258a–258e), and the prospective holder of the right-of-way is ''the authority empowered by law to acquire the lands'' within the meaning of that Act; new pipelines shall accept, convey, and transport any petroleum produced at the Reserves at reasonable rates;

(i) may use, store, or sell its share of the petroleum produced from the Reserves and lands covered by joint, unit, or other cooperative plans;

(j) shall establish prices for products, materials, and services on a basis that will allow it to maximize the financial return to the Government;

(k) shall give priority to assisting in national security matters when requested by the Secretary of Defense; and

(l) shall transfer annually to the Treasury all revenues in excess of that needed for reasonable capital and operating expenses of the Corporation, but in no event may the revenues retained or used for those purposes in any fiscal year exceed $250 million.

SEC. 105. CHIEF EXECUTIVE OFFICER.

The powers and functions of the Corporation are vested in a Chief Executive Officer to be appointed by the Secretary. The Chief Executive Officer serves at the pleasure and under the supervision of, and may be removed at the discretion of, the Secretary. The Secretary shall set the compensation of the Chief Executive Officer, not to exceed Executive Level III.

SEC. 106. EMPLOYEES.

(a) APPOINTMENTS.—

(1) The Chief Executive Officer may appoint officers and employees of the Corporation without regard to the provisions in title 5, United States Code, governing appointments in the competitive service, and may fix compensation without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, governing general schedule classifications and pay. In appointing officers of the Corporation and setting their compensation, which may not exceed Executive Level IV, the Chief Executive Officer shall consult with the Secretary. Any officer or employee of the Corporation may be removed at the discretion of the Chief Executive Officer except as specified in subsection (b) of this section.

(2) Section 3132(a)(1) of title 5, United States Code, is amended by adding at the end the following:

''(E)'' the United States Navel Petroleum Reserves and Naval Oil Shale Reserves Corporation;''.

(b) TRANSFER OF FUNCTIONS.—An officer or employee of the Department who the Secretary determines is performing functions vested in the Corporation by this subtitle is transferred to the Corporation under section 3503 of title 5, United States Code. Such an officer or employee retains the compensation in effect immediately prior to the transfer to the Corporation until changed by the Chief Executive Officer, and may not be separated involuntarily by reason of the transfer (but may be separated for cause) for a period of one year from the date of the transfer to the Corporation.

(c) PAYMENTS FOR EMPLOYEE BENEFITS.—

(1) The Corporation shall make those payments to the Employees' Compensation Fund which are required by section 3147 of title 5, United States Code.

(2) The Corporation shall pay to the Civil Service Retirement and Disability Fund—

(A) those employee deductions and agency contributions which are required by sections 3334, 3422, and 3423 of title 5, United States Code.

(B) those additional agency contributions which are determined necessary by the Office of Personnel Management to pay, in combination with sums under paragraph (2)(A) of this subsection, the normal cost (determined using dynamic assumptions) of retirement benefits for the employees of the Corporation who are subject to subchapter III of chapter 83 of title 5, United States Code; and

(C) those additional amounts, not to exceed two percent of the amounts under paragraphs (2)(A) and (2)(B) of this subsection, which are determined necessary by the Office of Personnel Management to pay the costs of administering retirement benefits for the Corporation's employees and retirees and their survivors (which months shall be available to the Office as provided in section 3343(a)(1)(B) of title 5, United States Code).

(3) The Corporation shall pay to the Employees' Life Insurance Fund—

(A) those employees deductions and agency contributions which are required by sections 8707 and 8708(a) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under sections 8708(d) of title 5, United Stated Code.

(4) The Corporation shall pay to the Employees Health Benefits fund—

(A) those employees payments and agency contributions which are required by section 8906 (a)–(f) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under section 8708(d) of title 5, United States Code.

(4) The Corporation shall pay to the Employees Health Benefits fund—

(A) those employee payments and agency contributions which are required by section 8906 (a)–(f) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under section 8906(g)(1) of title 5, United States Code.

(5) The amounts required under paragraphs (3)(B) and (4)(B) of this subsection are the Government contributions for retired employees who retire from the Corporation after the date of transfer, the survivors of those retired employees, and survivors of the employees of the Corporation who die after the date of the transfer, prorated to reflect the portion of the total civilian service of such employee and retired employees that was performed for the Corporation after the date of transfer.

(6) The Corporation shall pay to the Thrift Savings Fund those employee and agency contributions that are required by section 8432 of title 5, United States Code.

(d) SEPARATION INCENTIVE PAYMENTS.—The Corporation shall pay any voluntary separation incentive payments authorized, but not yet paid, by the Department prior to the

transfer of functions under subsection (b) of this section.

SEC. 107. EXEMPTION FROM TAXATION.

The Corporation, including the Reserves and all other corporate property, all corporate activities, and all corporate income are exempt from taxation in any manner or form by any State or local government entity.

SEC. 108. APPLICABILITY OF OTHER LAWS.

(a) FEDERAL LAWS GOVERNING ACQUISITION AND DISPOSAL.—The Corporation shall not be considered to be a department, agency, establishment, or instrumentality of the United States for purposes of Federal laws, regulations, or other requirements concerning acquisition of services and supplies, and the acquisition, use, and disposal of real and personal property, including the Federal Property and Administrative Services Act (40 U.S.C. 471, et seq.), except that the Corporation shall be considered to be a department, agency, establishment, or instrumentality of the United States for the purposes of the Davis-Bacon Act (40 U.S.C. 276a–276–7), the McNamara-O'Hara Service Contract Act (41 U.S.C. 351, et seq.), the Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et seq.), and civil rights laws and regulations applicable to Federal contractors and subcontractors.

(b) EXEMPTION FROM ADMINISTRATIVE PROCEDURAL PROVISIONS.—Chapter 5 of title 5, United States Code, does not apply to the Corporation.

SEC. 109. TRANSFERS TO THE CORPORATION.

(a) TRANSFER OF ASSETS.—Subject to subsection (c) of this section, the Secretary shall transfer to the Corporation the contracts, records, unexpended balance of appropriations and other monies available to the Department (including funds set aside for accounts payable and all advance payments), accounts receivable, and all other assets that are related to the powers and functions vested in the Corporation by this subtitle.

(b) TRANSFER OF LIABILITIES AND JUDGMENTS.—

(1) All liabilities attributable to the operation of the Reserves by the Department are transferred to the Corporation.

(2) Any judgment entered against the Department imposing liability arising out of the operation of the Reserves by the Department is considered a judgment against and is payable solely by the Corporation.

(c) UNIT PLAN CONTRACT DISPUTE RESOLUTION.—The Secretary shall retain, and shall not transfer, dispute resolution authority under section 9 of the Unit Plan Contract.

(d) PAYMENT OF INTEREST TO THE TREASURY.—From time to time, and at least at the close of each fiscal year, the Corporation shall pay into the Treasury as miscellaneous receipts interest on any Federal financial capital utilized by the Corporation, as determined by the Director of the Office of Management and Budget. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding each fiscal year, on outstanding obligations of the United States with remaining periods to maturity of approximately one year.

TITLE II—PRIVATIZATION OF THE CORPORATION

SEC. 201. STRATEGIC PLAN FOR PRIVATIZATION.

(a) Within 5 years after the establishment of the Corporation, the Corporation shall prepare a strategic plan for transferring ownership of the Corporation to private investors. The Corporation shall revise the plan as needed.

(b) The plan shall include consideration of alternative means for transferring ownership of the Corporation to private investors, including public stock offering, private placement, or merger or acquisition. The plan may call for the phased transfer of ownership or for complete transfer at a single point of time. If the plan calls for phased transfer of ownership, then—

(1) privatization shall be deemed to occur when 100 percent of ownership has been transferred to private investors;

(2) prior to privatization, such stock shall be nonvoting stock; and

(3) at the time of privatization, such stock shall convert to voting stock.

(c) The plan shall evaluate the relative merits of the alternatives considered and the estimated return to the Government's investment in the Corporation achievable through each alternative. The plan shall include the Corporation's recommendations on its preferred means of privatization.

(d) The Corporation shall transmit copies of the strategic plan for privatization to the President and Congress upon completion.

SEC. 202. PRIVATIZATION.

(a) Subsequent to transmitting a plan for privatization pursuant to section 101, and subject to subsections (b) and (c), the Corporation may implement the privatization plan if the Corporation determines, in consultation with appropriate agencies of the United States, that privatization will result in a return to the United States at least equal to the net present value of the Corporation.

(b) The Corporation may not implement the privatization plan without the approval of the President.

(c) The Corporation shall notify the Congress of its intent to implement the privatization plan. Within 30 days of notification, the Comptroller General shall submit a report to Congress evaluating the extent to which—

(1) the privatization plan would result in any ongoing obligation or undue cost to the Federal Government; and

(2) the revenues gained by the Federal Government under the privatization plan would represent at least the net present value of the Corporation.

(d) The Corporation may not implement the privatization plan less than 60 days after notification of the Congress.

(e) Proceeds from the sale of capital stock of the Corporation under this section shall be deposited in the general fund of the Treasury.●

By Mr. MCCAIN:

S. 1531. A bill to reimburse States and their political subdivisions for emergency medical assistance provided to illegal aliens under their custody as a result of Federal action; to the Committee on the Judiciary.

IMMIGRATION AND NATURALIZATION SERVICE LEGISLATION

● Mr. MCCAIN. Mr. President, this legislation would require the Immigration and Naturalization Service to reimburse States and localities for the cost of emergency ambulance services provided to illegal aliens injured while crossing the border. Currently, border communities pay the high cost associated with providing emergency ambulance services to illegal aliens. Although Federal authorities consistently have placed illegal aliens injured crossing the border in State and local custody in order to obtain medical services, the Federal authorities have failed to reimburse local Governors for the emergency ambulance services provided. As a result, Federal authorities have left border States and localities to pick up the tab for a Federal responsibility. This cannot continue.

In my home State of Arizona, the border city of Nogales has been particularly impacted by the failure of Federal authorities to reimburse the city for the costs of transporting aliens injured while crossing the border. Between April 22 and July 31, 1995, 44 calls were made by the Border Patrol to the city requesting ambulance service for illegal aliens injured while crossing the border. Because these patients rarely pay their own ambulance transport bill, the financial burden on the city has become very heavy. The city has paid almost $200,000 in ambulance costs in the past 6 years. This cost is significant to Nogales, a border community which has only 20,000 inhabitants, a low tax base, and recently reported a $100,000 deficit. The devaluation of the peso has left many Southwestern border communities in a similarly depressed financial position. Illegal immigration is a Federal matter and our Nation's border communities cannot afford and should not be forced to pay for emergency ambulance services provided at the request of Federal authorities. Again, that is a Federal responsibility.

I recognize that a separate and much broader debate is being waged across the Nation concerning a State's obligation to provide health care and other social services to illegal aliens residing within its borders. That issue is much larger and remains to be resolved. Today, however, I believe we can all agree that Federal authorities who call upon local emergency ambulance services for injured illegal aliens should be required to pay for those ambulance services. Our border States and communities should not be saddled with this additional financial burden.●

By Mr. SIMON:

S. 1532. A bill to provide for the continuing operation of the Office of Federal Investigations of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

THE OFFICE OF FEDERAL INVESTIGATIONS PRIVATIZATION ACT OF 1996

● Mr. SIMON. Mr. President, 1 year ago, as part of the National Performance Review, the administration announced that the Office of Personnel Management [OPM] would privatize its investigative branch, the Office of Federal Investigations [OFI]. The Treasury and Postal Service conference report directs OPM not to implement a reduction in force before March 31, 1996, in order to allow the GAO to conduct a cost-benefit analysis. OPM is prepared to initiate an employee stock ownership plan [ESOP], which would have a sole source contract with OPM for the first 2 to 3 years, after which contracts would be offered to private firms. I am very concerned that privatization is

not the best approach in this important area.

Today I offer legislation that would prevent immediate privatization of this extremely important Government function. For over 40 years, the OFI has been responsible for conducting background investigations for potential employees of various agencies within the Federal Government, including the Department of Energy, the Department of Justice, and the Treasury Department. Overall, OFI conducts about 40 percent of all Federal background investigations for positions ranging from bureaucratic responsibilities to high-ranking positions requiring substantial security clearances. In my view, shifting this responsibility to the private sector raises a host of extremely important questions which must be addressed before the decision to privatize is made.

First, we must ensure that our national security is not in any way jeopardized by a move to privatization. Currently, OFI does background checks on individuals that will ultimately have access to top secret information, including weapons systems and nuclear energy data. We need to ask ourselves if this is the type of information that we want a private investigator to have access to. If the answer is ''yes,'' certainly we need to carefully review the safeguards needed to ensure that our national interests remain secure.

The ability of private firms to maintain the privacy of sensitive records is another area that needs to be looked at closely. A private contractor would potentially have the ability to amass large quantities of information on Government employees. Although OPM has suggested that they would have the ability to keep records private, I have not heard specific measures that could be taken to guarantee this. Serious study must be given to what measures can and should be taken to protect privacy.

We must also ensure that quality investigations will continue to be conducted. The Federal Government currently uses private investigators for a very small fraction of background checks. The only experience with private investigators on a large scale produced numerous investigations that were not up to standard, or, even in a fraction of cases, were falsified. This must not happen again. What safeguards can and should OPM put in place to ensure that quality is maintained? We must be certain that quality can be maintained before we make the decision to privatize.

It is also important to ask ourselves if private investigators will be able to provide the best available information to Government agencies. Will they have difficulty obtaining vital information from law enforcement officials? In a preliminary study, the General Accounting Office [GAO] determined that law enforcement officials may be reluctant to give out sensitive information to private investigators. This issue deserves further study.

I have asked the GAO, as part of their ongoing cost-benefit analysis, to address my concerns and report their findings to me before the end of January, 1996. In addition, I sent a letter to a number of Federal agencies asking for their input on the effect of privatization. In response to my inquiry, I was told that privatization could cause disruptions to operations and that the quality of investigations could suffer. I urge my colleagues to think carefully about the negative impact that may be created by privatization.

My comments are not meant to imply that private contractors cannot perform top quality investigations while also ensuring privacy and protecting our national security. It is certainly conceivable that they could. However, before this decision is made, we must be sure that adequate study of the potential impact has been conducted.

The legislation I offer today would prevent privatization from occurring for 2 years, during which time OFI would be prohibited from reducing its number of full-time employees. In addition, the bill would require OPM and the GAO to issue a comprehensive report detailing the likely effect of privatization on all of the issues that I have addressed.

I urge my colleagues to support this legislation. While I certainly support the goals of the Clinton administration's National Performance Review, and applaud efforts to eliminate Government waste, Federal investigators employed by the government have served all of us extremely well, and we should proceed with great caution before changing this role.●

By Mr. McCAIN:

S. 1533. A bill to provide an opportunity for community renewal and economic growth in empowerment zones and enterprise communities, and for other purposes; to the Committee on Finance.

THE COMMUNITY RENEWAL AND ECONOMIC OPPORTUNITY ACT OF 1996

● Mr. McCAIN. Mr. President, today, I am pleased to introduce the Community Renewal and Economic Opportunity Act of 1996.

The bill contains 10 major initiatives to revive communities afflicted by joblessness and crime and to help the neediest Americans better provide for themselves and their families.

Included in the bill are measures to foster new job opportunities and economic development in America's poorest communities through targeted tax incentives; to improve public infrastructure in blighted areas by channeling a greater percentage of Federal grant monies to the neediest communities and by lowering the cost of project construction; to invigorate the fight against violent crime which most seriously affects low-income neighborhoods by allowing local law enforcement agencies to keep a greater amount of forfeited criminal assets and by requiring family opportunities for needy innocent victims; to increase family opportunities for needy children by banning racial discrimination in adoption; and to promote voluntarism by protecting volunteers against liability.

All Americans, no matter who they are, where they live, or the color of their skin, deserve the opportunity to provide for their families, to pursue their aspirations and to share fully in the American dream.

History teaches us that there's no panacea for poverty and crime, but, no matter how intractable the problem, it is the essence of the American character to constantly advance our society so that the social and economic progress of each generation exceeds that of its predecessor. No American is unimportant. As a nation, we have a solemn obligation to help those in need to help themselves. Our success in that endeavor is bound only by the limits of our energy and imagination.

It is painfully clear that the traditional welfare state response to poverty and community decay has been a miserable failure. Over the past 30 years, we have spent over $5 trillion on poverty programs, yet millions of Americans remain ensnared in the grinding cycle of dependence and need. The time is now for new ideas and approaches to restore hope and increase economic opportunity for all Americans.

The most effective way to revive American communities mired in poverty and to improve the quality of life is to provide job opportunities and sustainable economic development. A job and a paycheck are the most effective welfare programs. And, as any mayor or city council member in our country can attest, a healthy tax base produced by an employed population is the most potent prescription for community renewal.

Accordingly, the first title of the bill authorizes a battery of new and expanded tax incentives to attract businesses to blighted areas and to hire economically disadvantaged residents.

Four years ago, Congress designated 9 of the poorest communities in America as enterprise zones and 90 others as enterprise communities. The designation made these communities eligible for a host of tax incentives and other community renewal programs. This was an excellent step but inadequate in scope.

Currently, the law provides special tax benefits only to enterprise zone businesses which hire at least 35 percent of their employees from the local community. The bill I'm introducing would enhance the tax incentive by allowing firms to take an additional ten percent tax credit if they increase their local hiring rate to 50 percent.

Furthermore, the bill extends eligibility for the credit beyond enterprise zones to include qualified businesses within the 90 enterprise communities, as well as 90 additional poverty stricken economic recovery areas—areas

which will be designated by the Secretary of Housing and Urban Development.

Many communities are suffering economic distress as deeply as the areas we have officially designated as enterprise zones, and they deserve the opportunity to attract the jobs and economic development they so desperately need.

Mr. President, the 10-percent tax credit will serve as a strong incentive for businesses to form within economically depressed areas and to increase the hiring of local residents. However, the bill I'm introducing today would also authorize what I believe might be an even more powerful alternative inducement—a low 10-percent flat tax.

The bill would allow businesses within federally designated enterprise zones, enterprise communities, and economic renewal areas which hire at least half of their employees from the local community to pay a simple 10-percent flat tax. Simplifying taxes and offering a low incentive rate as an alternative to today's excessive and byzantine tax rules, might prove to be the most potent inducement for businesses to invest in places and in people that need the helping hand.

I look forward to hearing from employers on the relative merits of the flat tax and the credit option.

No matter which option an employer might choose, it's clear that once a company has opted to locate within a blighted area and to assume the associated risk, one of the biggest challenges will be to attract the capital and investment necessary for the enterprise to survive and grow.

To address this need, the bill once again would use our tax system to stimulate the necessary investment. Specifically, the bill would make stock dividends from qualified enterprise zone and enterprise community businesses nontaxable, and it would eliminate the capital gains tax for investments held at least 5 years within designated enterprise zones, enterprise communities and economic recovery areas. Exempting dividends and capital gains within our poorest areas from taxes should attract a healthy flow of job-producing capital investment.

So, Mr. President, this bill provides substantial new tax-based incentives for companies to assume the risk of locating within blighted areas and to invest in their human resources. However, we must recognize that poverty and economic disadvantage do not confine themselves within certain municipal boundaries. Economically disadvantaged people reside in practically every community and we have an obligation to help these Americans even if they do not happen to live within areas of the most severe poverty.

Accordingly, the bill would expand the work opportunity tax credit passed by Congress last year. The bill would raise the credit from 35 percent for the first $6,000 in wages for a targeted economically disadvantaged employee to 35 percent for the first $12,000 in wages.

Expanding the credit will provide a greater incentive for businesses, no matter where they are located, to hire economically disadvantaged individuals; and will discourage the practice of rapidly turning over employees in order to maximize the tax credit.

Most importantly, the bill expands the list of individuals who qualify for the work opportunity tax credit. As currently conceived, the credit would be available only to residents of enterprise zones and enterprise communities; recipients of AFDC; vocational rehabilitation recipients and Summer Youth. The bill extends the credit to individuals who have been chronically unemployed, have few assets, and have been living for a significant period of time under the poverty level.

A flexible, transportable, and more widely applied credit will help needy individuals no matter where they reside or by whom they are employed.

Mr. President, we all recognize that it's one thing to attract businesses to the poorest communities and encourage them to hire the most economically disadvantaged Americans by sweetening the tax incentives, but ensuring that such firms are sustainable and can overcome the many risks they assume to succeed in quite another.

Accordingly, the second major thrust of the bill's first title is to use the purchasing power of the Federal Government to assist risk-taking entrepreneurs and corporations who are willing to help poor Americans.

The bill would accomplish that goal by reforming the Small Business Administration's (8)(a) set-aside program. The current program provides Federal contract set-asides to businesses based on the race or ethnicity of the business owner. The bill would reorient the program by making the set-asides available to businesses that hire economically disadvantaged Americans regardless of their race, creed, or color.

As my colleagues are aware, the current (8)(a)program has been rife with fraud and abuse. The record is replete with unsavory examples of unscrupulous individuals establishing shell corporations to obtain set-aside benefits and cases in which very wealthy and successful enterprises remain in the program when they can and should compete quite nicely through the normal competitive contracting process.

Mr. President, America is based on the concept of equality among all people. As a society that aspires full equality and color blindness, the time for special programs that focus on the race and ethnicity of particular Americans rather than their economic status is past. A needy American is a needy American no matter their race, creed, color, or gender. Certainly, the Supreme Court's decision in the Adarand case emphasized that reality that, by and large, race-based set-asides do not comport with the fundamental tenets of equality and equal protection.

The original purpose of the 8(a) program was to assist economically disadvantaged Americans without regard to race or gender. I believe we can return the program to its original intent, and assist far more needy people than today's ownership-based program by providing set-asides to businesses located within enterprise zones and communities as well as to other firms which train and employ a significant percentage of economically disadvantaged individuals.

Exactly how do we determine who is an ''economically disadvantaged individual''? For purposes of this bill, EDI's are defined as: (1) individuals who live within EZ's or EC's; (2) individuals who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for 4 years preceding the date of their hiring; and whose income did not exceed the poverty level in either the year before their hiring nor in 3 of the 4 years before their hiring; or (3) individuals with a dependent; who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for 4 years preceding the date of their hiring; and whose income did not exceed the poverty level during the year prior to their hiring.

Once designated as an EDI an individual would retain the designation for 5 years, which should be ample time for the employee to receive training and to establish a work history. Reorienting the 8(a) program as provided by this bill will help us to achieve the goals of assisting economically disadvantaged individuals more fairly and effectively.

Finally, Mr. President, the first title of the bill recognizes the important role private entrepreneurship can and should play in serving the needs of our poorest communities and that we must do a better job of promoting start-up enterprises. Toward that end, the bill would establish a business mentor program under the auspices of the Small Business Administration. The program would pair businesses owned by economically disadvantaged individuals with mentor businesses and lending institutions.

Pairing start-up enterprises owned by individuals who live within poverty stricken areas with established mentor businesses will enhance the success of first-time business owners creating additional jobs and economic opportunity.

Mr. President, again, I want to stress a bill cannot be written that will solve the problem of joblessness and poverty. But, I believe we can make significant gains by employing the kinds of incentives proposed by the bill I've introduced today. The incentives are not perfect and I look forward to a detailed debate on the initiatives to ensure that we craft incentives that will be as appropriate and cost-effective as possible.

Mr. President, the second major title of this bill is designed to assist depressed communities in improving their infrastructure. Strong infrastructure and dependable public works such

as roads, utilities, schools, and other public accommodations, are critical to improving the quality of life and to fostering sustainable community development. This bill would lower the cost of constructing and operating public facilities by repealing the the Davis-Bacon Act within enterprise zones and enterprise communities.

The Davis-Bacon Act requires that the prevailing union wages be paid on all contracts and subcontracts for construction projects that utilize Federal monies. This costly Federal mandate inflates the price of infrastructure and disproportionately impacts poorer communities. Moreover it makes it more difficult for entry level job seekers to obtain training and work.

In addition, the bill would channel a greater share of Federal Community Development Block Grant moneys to the neediest counties and cities.

The Federal CDBG program was created to promote local economic and community development. Current law requires that 70 percent of these grant monies be channeled to disadvantaged communities. The bill increases the amount to 75 percent and cuts the percentage allowed for administrative overhead from 20 percent to 10 percent so that more dollars can flow to bricks and mortar projects in needy areas.

Furthermore, the bill would require wealthier communities to cost-share any CDBG grants they may receive. Greenwich, CT and Beverly Hills, CA are fine communities, but we should not be spending scarce Federal economic development aid in communities that can well afford to meet their own needs, at the expense of much needier areas.

The third title of the bill seeks to improve educational opportunities in the poorest communities. Quality education is the key to improving the lives of our youth and helping to break the cycle of poverty.

The bill authorizes a Federal school voucher system within enterprise zones and enterprise communities. Empowering parents to send their children to the schools that best meet their needs will increase the quality of educational opportunity. The program would in no way require the affected local school districts to diminish or reallocate their own funding. The Federal monies would be additional to the local funds currently used to run the affected school districts.

The fourth title of the bill seeks to make our streets safer. The gravest threat to quality of life and community redevelopment within blighted areas is violent crime. The streets must be made safer and victims must be treated compassionately and justly.

The bill allows counties and cities which have a high rate of violent crime to retain a higher share of Federal asset forfeiture proceeds under the Racketeer Influenced Corrupt Organization (RICO) statutes.

Current law allows local law enforcement agencies which participate in a Federal RICO operation to have a share of the proceeds from asset forfeiture. The bill would authorize an additional 25 percent share for communities that suffer from inordinately high rates of violent crime. The additional resources would be used for violent crime control programs.

In addition, the safe streets title authorizes mandatory restitution for certain violent crimes, and increases victim assistance resources by boosting fines against Federal felons. This title mirrors legislation that I had the privilege to work on with Senator HATCH, Senator NICKLES, Senator BIDEN, and other Members last year.

The bill's fifth title seeks to promote family opportunities for poor children. The family unit is the foundation of our society. A loving and supportive family is the key to a child's development into a healthy and productive member of the community.

The bill prohibits racial discrimination in adoption. Many adoption agencies make adoption decisions based on inappropriate racial considerations. Consequently, countless children, many of them minorities from the inner city remain in foster care, denied the opportunity for a loving family.

Finally, the bill seeks to promote voluntarism. America has a proud tradition of neighbor helping neighbor which must be nurtured and sustained if we are to revitalize America's communities, particularly those poverty stricken areas most needful of help.

The bill encourages states to pass laws protecting volunteers against lawsuits. The provision is modeled after legislation introduced by Congressman JOHN PORTER of Illinois. It's fundamentally unfair that we continue to subject volunteers to the threat of liability when they share their time, resources and expertise to help the community. Increasing exposure to liability in our ever litigious society will chill voluntarism to the detriment of all communities.

Mr. President, as I said, I do not pretend this bill is the answer to all our inner city problems. Far from it. But, I believe it provides some excellent initiatives which will help us make a real difference in improving lives and communities of areas that need and deserve the help of a caring nation.

Moreover, I am convinced we can enact these or very similar initiatives without worsening the deficit. The programs that require outlays or offsets, such as the package of tax credits, can be paid for by reductions in non-essential programs that are of a lower priority including, I might add, corporate pork.

This bill is by no means perfect or complete. I believe it is a starting point for more vigorous debate and action to meet the challenges of the poorest Americans and the neediest communities. I look forward to a dialogue on the bill and the issues it raises, and to hearing the many other suggestions about how most effectively to end the cycle of poverty and dependence.

One suggestion I would make is that the appropriate committees hold field hearings and engage the Americans who live in the poorest communities in the debate over how best we can help them to meet the needs of their families and their neighborhoods.

Too often politicians cloak themselves within the insulated, and many times, out of touch environs of the Capitol as we devise the policies that affect millions of lives. Perhaps it's time we more diligently consult and work with real people and address their realities as we endeavor to meet our oath of office and the needs of our great Nation.

I am pleased to note that his bill is strongly supported by Secretary Jack Kemp of Empower America. Such an endorsement is germane and is as fitting as it is welcome, because personal and community empowerment is what this bill is about. It's about new alternatives to the failed prescriptions of the past. It's about recognizing that every American counts and that a leg up to self-sufficiency is more lasting, meaningful, and compassionate than a handout; and that a caring nation can and must help all of those who truly need assistance to participate in the social, economic and political freedom that is the essence of the American dream.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

COMMUNITY RENEWAL AND ECONOMIC OPPORTUNITY ACT OF 1996

TITLE I—JOBS, PAYCHECKS, AND TAX BASE

The most effective way to revive America's poverty stricken communities and to improve the quality of life for economically disadvantaged residents is to stimulate job creation and sustainable economic development—jobs, paychecks and tax base. This title provides a battery of new and expanded incentives for businesses to form and capitalize within blighted areas and to hire local residents.

I. Tax credits and businesses that hire economically disadvantaged individuals within blighted areas

Enables each qualified business located within a federally designated Enterprise Zone and Enterprise Community to deduct ten percent of its tax liability if 50 percent of its employees are residents of the zone.

Current law provides special tax incentives to businesses within the 9 designated Enterprise Zones if 35 percent of their employees are residents of the area. Increasing the incentive and expanding it to the 90 enterprise communities and beyond (see below) will increase employment opportunities for residents of blighted areas.

Authorizes the Secretary of Housing and Urban Development to designate an additional 90 poverty stricken communities in which businesses would be eligible for the 10 percent negative surtax.

Many communities are suffering the same economic distress as areas designated to be Enterprise Zones and Communities. Extending the credit to other economically distressed areas will stimulate job creation and tax base.

Authorizes zero capital gains tax for investments held for at least five years within Enterprise Zones and Economic Communities.

A zero capital gains tax will spur investment and economic activity within economically depressed areas.

II. Tax incentives for hiring economically disadvantaged individuals regardless of business location or employee residence

Expands the Work opportunity Tax Credit from 35 percent for the first $6,000 in wages for a targeted economically disadvantaged employee to, 35 percent for the first $12,000 in wages.

Expanding the credit will provide a greater incentive for businesses, no matter where they are located, to hire economically disadvantaged individuals; and will reduce the rapid turnover of economically disadvantaged employees in order for businesses to take maximum advantage of the credit.

Expands the list of individuals who qualify for the Work Opportunity Tax Credit to include individuals who have been chronically unemployable.

The current Work Opportunity Tax Credit is available to residents within Economic Zones and Enterprise Communities; Recipients of AFDC; Vocational Rehabilitation recipients; and Summer Youth. The bill expands the list to include individuals who have been chronically unemployed, have few assets and have been living for a period of time under the poverty level.

III. Alternative flat tax for firms located in blighted areas which hire local residents

Authorizes businesses within enterprise Zones ad Enterprise Communities to replace their current tax liability with a 10-percent flat tax option if 50 percent of their employees reside within the zone.

A low flat tax can be a powerful incentive for businesses to locate within economically distressed areas, and to hire residents of those communities.

IV. Investor incentives to attract capital for firms located in blighted areas

Makes stock dividends from businesses within Enterprise Zones and Economic Communities non-taxable.

Tax free dividends will spur capital formation for businesses which locate in economically distressed communities and employ residents of high unemployment areas.

V. Contracting set-asides for business who hire and train economically disadvantaged individuals

Transforms the SBA (8)(a) set-aside program from one that provides federal contracting set-asides to businesses based on the race or ethnicity of the owner, to one based on the economic disadvantage of the business' employees.

Providing set-aside contracts to businesses located within EZ and EC's or which hire economically disadvantaged people will enable the federal government to utilize its purchasing power to help a greater number of needy people in a more fair and racially blind manner.

EDI's are defined as: (1) individuals who live within EZ's or EC's, or (2) Individuals who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for four years preceding the date of their hiring; and whose income did not exceed the poverty level in the year before their hiring nor in three of the four years before their hiring, or (3) Individuals with a dependent; who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for four years preceding the date of their hiring; and whose income did not exceed the poverty level during the year prior to their hiring. Once designated as an EDI for purposes of this program an individual retains the EDI designation for a period of five years.

VI. Business ownership mentor program

Establishes a mentor program under the SBA to pair businesses owned by economically disadvantaged individuals with mentor businesses and lending institutions.

Pairing start-up enterprises owned by individuals who live within poverty stricken areas with mentor businesses will enhance the success of first time business owners.

TITLE II—UTILITIES, SCHOOLS AND INFRASTRUCTURE

Successful and sustainable community development depends upon healthy infrastructure and public works including transportation, utilities, schools and other public accommodations. Lowering the cost of constructing and operating public facilities and providing additional resources to poverty stricken communities is vital to improving the quality of life within these areas.

Repeals Davis-Bacon within Enterprise Zones and Enterprise Communities.

The Davis-Bacon Act requires the payment of prevailing union wages for any contract or subcontract which utilizes federal funding. The rule inflates the cost of public facilities and disproportionately impacts poverty stricken communities which have fewer resources.

Channels a greater share of federal Community Development Block Grant monies to the neediest counties and cities.

The federal CDBG program was created to assist communities with economic and community development project. Currently, 70 percent of these grant monies are to be channeled to disadvantaged communities. The bill increases the amount to 75 percent and cuts the percentage allowed for administrative overhead from 20 to 10 percent and calls on wealthier communities to cost share CDBG grants so that more dollars can flow to bricks and mortar projects in needy areas.

TITLE III—EDUCATIONAL CHOICE

Quality education is the key to improving the lives of our youth and helping to break the cycle of poverty.

Authorizes a federal school voucher program within enterprise zones and enterprise communities.

Empowering parents to send their children to the schools that best meet their needs will increase and improve the educational opportunity of Americans who reside within blighted communities. Educational quality will dramatically improve with competition. The bill would authorize voucher payments to families within EZ and EC and would not redirect or diminish the local funding of area schools.

TITLE IV—SAFE STREETS

The gravest threat to quality of life and community redevelopment within blighted areas is violent crime. The streets must be made safer and victims must be treated compassionately and justly.

Allows counties and cities which have a high rate of violent crime to retain a higher share of federal asset forfeiture proceeds under the Racketeer Influence Corrupt Organization (RICO) statutes.

Current law allows local law enforcement agencies which participate in a federal asset seizure to a percentage of the asset proceeds. The percentage reflects the level of participation by the local agency. The bill allows an additional 20 percent of the asset proceed to go to communities that are disproportionately affected by violent crime.

Authorizes mandatory restitution for certain violent crimes, and increases the federal Crime Victim Fund by increasing fines against federal felons.

Current law does not mandate that violent criminal compensate their victims.

TITLE VI—FAMILY OPPORTUNITY

The family unit is the foundation of our society. A loving and supportive family is the key to a child's development into a healthy and productive member of the community.

Prohibits racial discrimination in adoption which deprives millions of children from the opportunity to have a family.

Many adoption agencies make adoption decisions based on racial consideration. Consequently countless children, many of them minorities from the inner city remain in foster care, denied the opportunity for permanent family placement.

TITLE VII—VOLUNTARISM

America has a proud tradition of neighbor helping neighbor which must be nurtured and sustained if we are to revitalize America's communities, particularly those poverty stricken areas most in need of a helping hand.

Encourages states to pass laws protecting volunteers against lawsuits.

It's fundamentally unfair that we continue to subject volunteers to the threat of liability when they share their time, resources and expertise to help the community. The exposure to liability in our increasingly litigious society will chill voluntarism to the detriment of all communities.●

By Mr. HATFIELD (for himself and Mr. KENNEDY):

S. 1534. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Commission on Labor and Human Resources.

THE CLINICAL RESEARCH ENHANCEMENT ACT OF 1996

●Mr. HATFIELD. Mr. President, the proud tradition of American leadership in science and health care has been an important factor in our international stature and our domestic quality of life. This tradition is however vulnerable and may wither if not nurtured. The CBO predicts that national expenditures for health will reach the astonishing sum of $1,613 billion by the year 2000. This an astronomical sum for a nation who seemingly can meet its health care needs. Investments in biomedical research offer the only reasonable hope of reducing not only monetary costs, but, more importantly, human suffering.

Biomedical research is commonly thought of as existing in two spheres. The first is ''basic'' research in which fundamental biological principles are studied primarily in laboratories using molecules, cells or animals. The second is ''clinical'' or patient oriented research [POR], in which the scientific principles discovered in the lab are applied to patients with disease. To determine which of several medicines is most effective in curing a cancer, careful comparison of these drugs is necessary in large groups of real people. To understand which of several different types of treatment: medical, surgical, or nutritional is best in helping patients not merely for the short run but over time, the various treatment

options must be tried systematically on real people. The emphasis is on people. We must use the knowledge gained by biomedical research to help people get better.

Both aspects of biomedical research are essential because they depend upon each other—without the foundation of basic research, clinical research would be impossible. For example the current successful treatment of sickle cell Anemia which so cruelly strikes young people, had its origins in basic research from the development of chicken embryos. Medications which modified chicken embryonic cells were found to also enable monkeys to manufacture certain types of hemoglobin, hemoglobin a component of blood cells necessary to combat thalassemia and sickle cell disease. The studies moved from basic research in chickens to monkeys and finally to clinical research in humans leading to a successful therapy for a previously terrible disorder.

Yet despite their mutual importance clinical research has failed to receive the support necessary to permit us to fully benefit from the advances of basic research. The proposal for a national fund for health research which Senator HARKIN and I have introduced goes a long way to prevent the possibility of robbing funds from Peter to pay Paul. We need more money in the system, but we also will have a better balance between basic and clinical research.

The Institute of Medicine has recently published an exhaustive report which concludes that clinical research is in a state of crisis. A state which if not addressed will result in: a serious deficiency of clinical expertise; a paucity of effective clinical interventions; an increase in human suffering and disability; and ultimately an increase in the cost of medical care.

Historically clinical research has resulted in marked improvements in care and costs. A $1.2 million investment in neonatal screening for subnormal thyroid has saved $206 million in treatment costs annually. A $679,000 investment in developing a treatment for recurring renal stones has resulted in an estimated savings of $300 million annually. A multicenter clinical trial of interventions in stroke prevention cost approximately $4.6 million. Its results could prevent 20 to 30,000 strokes per year with an annual savings of $200 million. All of these and many other achievements have occurred because of the ability of clinical research to take knowledge derived from basic research to the bedside, bridging the gap between the laboratory and the patient.

Yet despite its clear societal and economic benefits, clinical research is in crisis. The amount and proportion of personnel and fiscal resources devoted to clinical research, particularly at the NIH has fallen to levels which place our Nation at a severe disadvantage. Unable to capitalize on new discoveries, the quality of life of our patients slowly falls as ironically our costs continue to rise. The nature of this crisis is threefold a relative lack of: people involved in clinical research; an infrastructure to adequately select and support the best clinical research; and declining fiscal investment in biomedical research overall.

PEOPLE

While the United States continues to train large numbers of excellent young physicians the proportion of those choosing careers in clinical research becomes ever smaller. The Association of American Medical Colleges [AAMC] survey of 1994 medical graduates found that only 10 percent of these young physicians intended to enter research careers. Students enrolled in public medical schools were much less likely to choose research careers than those attending private institutions.

America's teaching hospitals have of necessity increased the proportion of their income derived from service from 12.2 percent 1971— to 38.5 percent—1988. As a result the proportion of physicians in those institutions who are active in research has fallen from 40 to 25 percent. This leaves fewer clinicians available for instruction of students and fewer investigators for clinical research.

INSTITUTIONS

Our medical schools need to increase their focus on the training of students for clinical research careers. Fully 58 percent of 1994 graduates reported inadequate instruction in research techniques. Unlike the situation in Ph.D. programs for basic research, there is no clear academic pathway into a clinical research career. Only 11 percent of physicians in clinical departments are principle investigators of NIH grants. This compares unfavorably to 27 percent rate for Ph.D.'s. As a result there are relatively fewer role models for young clinical researchers.

Our ability to fund new research ideas has not been able to keep pace with the development of new initiatives. It is extremely difficult for young clinical investigators to even obtain research funding. Only 55 percent of all applicants for NIH grants are ever funded. The overall number of research grant applications has increased by 42 percent from 14,142 in 1980 to 20,154 in 1990. The number of new grant applications funded has actually fallen by 15 percent from 5,400 in 1989 to 4,600 in 1990. This is complicated by the fact that the greatest proportion of research grants goes to continue funding previously granted awards, 70 percent. So that ever increasing number of new projects compete with an ever smaller pool of resources.

The emphasis is so heavily weighted toward basic research that the NIH has difficulty determining just what proportion of funded studies are directed at patients. The Institute of Medicine estimates that only 10.4 percent of all NIH funded research is clinical research. Only 20 percent of grant reviewers are physicians, therefore the expertise necessary to critically review clinical research applications is considerably less than that for basic research. With the proportion of funded proposals falling to approximately 25 percent of submissions the odds of gaining grant funding are now low enough that young investigators are turning away from clinical research careers. The NIH has recognized these deficiencies and has made recommendations to reverse this trend. Implementation however requires more resources.

Implementation also requires cooperation from the community of health care providers. Many insurance companies and managed care plans discourage or prevent persons from participating in clinical studies. This limits access to potentially helpful therapies for patients, and inhibits the ability of researchers to find patients to work with and hence make new discoveries. Insurers who eventually benefit from new treatments which by alleviating illness lowers costs, must contribute to the process by encouraging rather than discouraging patient participation.

FUNDING

The level of support for biomedical research, particularly for the 75 general clinical research centers, has been relatively flat over the past 5 years, just barely keeping up with inflation.

The resulting increased competition by more investigators for a piece of an ever smaller pie results in a stagnation and atmosphere where innovation and clinical research is sublimated for short term laboratory based projects which produce publishable results quickly.

The legislation I and my colleague Senator KENNEDY are introducing today, the Clinical Research Enhancement Act, will rectify these problems by: First, establishing a President's Research Advisory Panel within the Office of Science and Technology Policy, [OSTP]. This panel will regularly evaluate the status of clinical research in the United States so that we are continually aware of our progress. It will make recommendations for any necessary improvements in clinical research and monitor them to ensure that we reach our goals.

Second, we will increase the involvement of the NIH in clinical research. The Director of NIH will establish intramural clinical research fellowship programs to train clinical researchers. There will be increases in the number of FIRST Grants for young investigators, and by implementing the recommendations of the NIH's own Clinical Research Study Group improve the merit review process for evaluating applications.

Third, we will stabilize the funding of general clinical research centers. It is within these centers that much of the training of young investigators as well as actual clinical research is done.

Fourth, we will create new opportunities for career development in clinical research. This through the development of clinical research career enhancement awards, and expansion of

the Loan Repayment Program for Clinical Researchers.

Fifth, we will establish innovative medial service awards to stimulate the development of new and creative clinical research proposals.

Rectifying the disparagement between support of basic and clinical research will serve to more effectively promote the types of discoveries that we have all come to expect. It is my hope that this proposal for clinical research enhancement is not seen as simply another cost of health care, but as a way, really the only way to eventually reduce costs both in terms of dollars and human life.

I urge my colleagues to join us in supporting legislation to enhance the pipeline for clinical researchers.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

THE CLINICAL RESEARCH ENHANCEMENT ACT OF 1996—SECTION-BY-SECTION SUMMARY

Section 1—Short Title: The Clinical Research Enhancement Act of 1996

Section 2—Findings and Purposes: Clinical research, patient-oriented research requiring the participation of a human subject, is in decline. Independent studies at the National Research Council, the National Institute of Medicare and the National Academy of Sciences have all addressed the current problems in clinical research. The decline in young clinical investigators is attributed to a heavy debt burden, lack of a federal support system, and lack of a formal training regime. It is the purpose of this Act to provide for a mechanism to address these problems and a stimulus for physicians to enter clinical research.

Section 3—President's Clinical Research Panel: The President shall establish within the Office of Science and Technology Policy, a panel, to evaluate the status of the national clinical research environment, and prepare periodic progress reports to the President. It will be composed of representatives from clinical research, insurance and pharmaceutical companies, health maintenance organizations, accreditation and certification organizations, academic research administrators and patients. Its members will be nominated by the President of the Institute of Medicine.

Section 4—NIH Director's Advisory Committee on Clinical Research: The Secretary of Health and Human Services shall designate the advisory committee established by the Director of NIH. This committee will report to the Director and the President's Panel. It will review the status of clinical research within NIH and implement changes as necessary.

Section 5—Study Section Review: The President's Clinical Research Panel shall direct the Office for Science and Technology to review study section activities of all federal agencies conducting or funding clinical research.

Section 6—Increase the Involvement of the National Institutes of Health in Clinical Research: The Director of NIH shall:

1. Increase the number of FIRST grants.
2. Design test pilot projects.
3. Establish an intramural clinical research fellowship program at NIH.
4. Support and expand resources available for the clinical research community.
5. Establish peer review mechanisms to evaluate applications: for Instramural Fellowships; Clinical Research Career Enhancement Awards; & Innovative Medical Science Awards.

Section 7—General Clinical Research Centers: The Director shall award grants for General Clinical Research Centers to provide the infrastructure for clinical research, training and enhancement. Expand the activities of the centers through increased use of telecommunications and telemedicine. Establish grant programs at the centers. The Director of the National Center for research Resources shall establish: Clinical Career Enhancement Awards; and Innovative Medical Science Awards.

Section 8—Clinical Research Assistance: Expand the current Loan Repayment Program Regarding Clinical Researchers from Disadvantaged Backgrounds to include students with heavy debt burdens. Increase the numbers of awards from 50 to 100. Establish a minority set-aside of 50%.

Section 9—Insurance coverage of investigational treatments: A health plan shall allow individuals when medically appropriate to participate in investigational therapy.

Section 10—Definition: Define ''clinical research'' as ''patient oriented clinical research requiring the participation of a human subject, or research on the causes and consequences of disease in human populations.''

SUPPORTERS OF HATFIELD CLINICAL RESEARCH BILL (79)

Academy of Radiology Research.
Alzheimer's Association.
American Academy of Child and Adolescent Psychiatry.
American Academy of Dermatology.
American Academy of Neurology.
American Academy of Ophthalmology.
American Academy of Otolaryngology—Head and Neck Surgery.
American Association of Anatomists.
American College of Clinical Pharmacology.
American College of Medical Genetics.
American Diabetes Association.
American Federation for Clinical Research.
American Geriatrics Society.
American Gastroenterological Association.
American Neurological Association.
American Nurses Association.
American Orthopaedic Association.
American Podiatric Medical Association.
American Society for bone and Mineral Research.
American Society for Clinical Pharmacology and Therapeutics.
American Society for Therapeutic Radiology and Oncology.
American Society for Addiction Medicine.
American Society of Hematology.
American Society of Human Genetics.
American Society of Nephrology.
American Veterinary Medical Association.
Arthritis Foundation.
Association for Behavioral Sciences and Medical Education.
Association of Anatomy, Cell Biology and Neurobiology Chairs.
Association of Behavioral Sciences and Medical Education Association.
Association of Academic Health Centers.
Association of American Cancer Institutes.
Association of Medical and Graduate Departments of Biochemistry.
Association of Pathology Chairs.
Association of Professors of Dermatology.
Association of Program Directors in Internal Medicine.
Association of Schools of Public Health.
Association of Subspecialty Professors.
Association of Teachers of Preventive Medicine.
Association of University Professors of Ophthalmology.
Association of University Radiologists.
Central Society for Clinical Research.
Citizens for Public Action on Blood Pressure and Cholesterol, Inc.
Coalition for American Trauma Care.
Cystic Fibrosis Foundation.
Department of Orthopaedics/Rehabilitation at the University of New Mexico.
Department of Pathology and Laboratory Medicine at the University of Southern California.
Department of Physiology at the University of Florida College of Medicine.
Dystrophic Epidermolysis Bullosa Research Association of America.
The Epilepsy Foundation of America.
Federation of Behavioral/Psychological and Cognitive Sciences.
Foundation for Ichthyosis and Related Skin Types.
General Clinical Research Center Program Directors' Association.
General Clinical Research Center at the University of Alabama at Birmingham.
Joint Council of Allergy, Asthma and Immunology.
Lupus Foundation of America, Inc.
National Alopecia Areata Foundation.
National Caucus of Basic Biomedical Science Chairs.
National Committee to Preserve Social Security and Medicare.
National Foundation for Ectodermal Dysplasias.
National Marfan Foundation.
National Osteoporosis Foundation.
National Organizations for Rare Disorders, Inc.
National Perinatal Association.
National Psoriasis Foundation.
National Tuberous Sclerosis Association.
The Orton Dyslexia Society.
Scleroderma Research Foundation.
Society for Academic Emergency Medicine.
Society for Investigative Dermatology.
Society for Neuroscience.
Society for the Advancement of Women's Health Research.
Society of Medical College Director of Continuing Medical Education.
Society of University Urologists.
St. Jude Children's Research Hospital.
The Endocrine Society.
Tourette Syndrome Association.
United Scleraderma Foundation.
University of Alabama at Birmingham.

AMERICAN FEDERATION FOR CLINICAL RESEARCH,
January 25, 1996.

Hon. MARK HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American Federation for Clinical Research, I write in strong support of the ''Clinical Research Enhancement Act.'' The legislation you are introducing today addresses critical problems facing our country: the loss of a generation of young physician scientists because of medical school tuition debts and limited funding opportunities, the loss of our international competitiveness in medicine as scientists in other nations move ahead to capitalize on basic science discoveries with new therapies and products, and the increasing difficulties confronting patients who wish to participate in clinical research but are limited by the unwillingness of insurance companies to cover any investigational therapies.

The Clinical Research Enhancement Act addresses these problems through the creation of new career development and research programs, the expansion of existing

NIH loan repayment opportunities for physician scientist, and mandates on insurance companies to expand coverage of investigational treatments. Further, the creation of a Presidential commission on clinical research will bring to the attention of our nation's leaders critical obstacles to the advancement of medical science.

The 11,000 members of the American Federation for Clinical Research are in strong support of this legislation and call on the Congress to pass the Clinical Research Enhancement Act before adjourning in the fall. America has led the world in medical science. The bill you introduce today will help to assure that we maintain that leadership.

Sincerely,

VERONICA CATANESE, M.D.,
President.●

By Mr. ABRAHAM:

S. 1535. A bill to strengthen enforcement of the immigration laws of the United States, and for other purposes; to the Committee on the Judiciary.

THE ILLEGAL IMMIGRATION CONTROL AND ENFORCEMENT ACT OF 1996

● Mr. ABRAHAM. Mr. President, I introduce the Illegal Immigration Control and Enforcement Act of 1996. This bill would crack down on the problem of illegal immigration without retreating from our historic commitment to legal immigration.

There is a broad consensus that illegal immigration is a significant problem that demands immediate attention. But in addressing that problem, we must not blur the distinction between illegal and legal immigrants. The overwhelming majority of legal immigrants are law-abiding, hard-working people who make a positive contribution to our economy and our society.

An omnibus immigration bill recently reported out of the Judiciary Subcommittee for Immigration overlooks this distinction. Rather than focus on illegal immigration, the omnibus bill would reduce the quotas for certain categories of legal immigration, eliminate other categories altogether, and impose stifling new taxes and red tape on American businesses that employ talented immigrants. The omnibus bill would also burden every American worker and business with a new national-identification system that would vastly expand the power of the Federal Government in the workplace.

The bill I introduce today has a more targeted approach. First, the bill aims to take back control of our borders. It would nearly double the number of border patrol agents, adding 900 such agents for each of the next 5 fiscal years. It would provide new equipment and support personnel for these agents. And it would significantly increase the criminal penalties for the practice of smuggling aliens across our border.

Second, the bill would for the first time address the problem caused by persons who overstay their visas. According to the INS, roughly half of all illegal aliens enter the United States with legal, nonimmigrant visas and then remain here after their visas expire. Yet, incredibly, under current law there is no penalty for overstaying one's visa. Moreover, visa overstayers are virtually never caught by the INS, so overstaying is for many aliens a risk-free choice. But the Illegal Immigration Control and Enforcement Act would change all this. Persons who overstay a visa would be ineligible for additional visas for at least 3 to 5 years. Since many visa overstayers hope to reside here legally one day, this penalty would have a significant deterrent effect. To help catch those persons who nevertheless stay here after their visas expire, the bill would authorize the addition of 300 new INS investigators in each of the next 3 fiscal years, who would focus exclusively on visa overstayers. The upshot should be a significant reduction in the numbers of these illegal aliens.

Third, the bill would streamline the deportation of criminal aliens. Although, under current law, aliens convicted of felonies after entry are deportable, they are, in fact, rarely deported because of their ability to seek repeated judicial review of their deportation order. That would change under the provisions in my bill, which are stronger than those in the omnibus immigration bill. Under my bill, aliens who are convicted of serious crimes would simply be deported upon completion of their sentences without any further judicial review of their deportation order. These provisions would apply to nearly half a million alien felons currently residing in this country.

Fourth, my bill would also respond to the pleas of businesses, particularly small businesses, who wish to follow the law but whose efforts to do so are thwarted by the bewildering array of documents that, under current law, are acceptable for employment verification. To help these employers, the bill would reduce the number of acceptable employment verification to a relative handful of documents familiar to all employers.

Finally, Mr. President, the bill I introduce today also includes important welfare reforms similar to those in H.R. 4, the bill that was sent to the President and vetoed. Like H.R. 4, my bill would deny Federal means-tested benefits like welfare, food stamps, and SSI to illegal aliens and sharply restrict the eligibility of legal aliens to receive these benefits. Unlike the omnibus bill reported out of the Judiciary Subcommittee for Immigration, however, my bill would not continue to apply these provisions to immigrants who become citizens of the United States. In my view, we should not create classes of American citizens for this purpose.

In summary, Mr. President, we need to focus our efforts on those areas where the real problem lies. By doing so, my bill would address our legitimate concerns about illegal immigration and welfare abuse without abandoning our commitment to family reunification, imposing new taxes and fees on American employers, or handing the Federal Government sweeping new powers in the workplace.●

By Mr. THOMPSON:

S. 1536. A bill to amend title 18, United States Code, to permit Federal firearms licenses to conduct firearms business with other such licensees at out-of-State gun shows; to the Committee on the Judiciary.

THE FIREARMS DEALERS REGULATORY RELIEF ACT OF 1996

Mr. THOMPSON. Mr. President, today I am introducing legislation that will serve to correct and clarify section 923 of title 18 of the United States Code affecting licensed firearms dealers. The bill amends the United States Code to permit the 200,000 Federal firearms licensees to conduct firearms business with other licensees at out-of-State gun shows.

This legislation is needed to address the problem that federally licensed gun dealers have when they buy, sell, or trade high-end collector's arms at out-of-State gun shows. Most of these firearms are in the $2,000 to $10,000 range and are not the target of illegal arms traffickers. Under current law, when licensed dealers meet at an out-of-State gun show and conduct business, they must return home and ship the firearms via common carrier from their respective States of residence. In doing so, the dealers take great risk of loss, theft, or damage and great expense of shipping and insurance of what may be one-of-a-kind items.

The Bureau of Alcohol, Tobacco and Firearms, [BATF], has indicated that they would be willing to work with us ''to enact legislation which will reduce the regulatory burden on the legitimate firearms industry while maintaining adequate controls to combat the criminal misuse of firearms.'' They said they would have changed the regulations to allow these types of commerce if not for the prohibitions that they interpret to be in the law. I welcome this spirit of cooperation.

This bill would make Congress' intent clear to the BATF that Federal firearms license holders are not the source of illegal gun trafficking. Federal firearms license [FFL] holders are already closely regulated by the Bureau as legitimate businesses. If a person is responsible enough to obtain a Federal firearms license in Tennessee, then he is responsible enough to conduct business in Kentucky, North Carolina, or California. The BATF already recognizes this fact but, because of the way the current law is written, it must, nonetheless, enforce the byzantine route to conduct business.

All those concerned by the illegal use of firearms should support this bill, as direct transfer of firearms will improve the atmosphere ensuring that all guns will be recorded on dealers' books, thereby providing law enforcement agencies the records they need when firearms are used illegally.

This bill has the support of the Collector Arms Dealer's Association which represents 50,000 gun dealers and collectors.

By Mr. ROBB (for himself, Mr. DASCHLE, and Mr. SIMPSON):

S. 1537. A bill to require the Administrator of the Environmental Protection Agency to issue a regulation that consolidates all environmental laws and health and safety laws applicable to the construction, maintenance, and operation of aboveground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

THE ABOVEGROUND STORAGE TANK CONSOLIDATION AND REGULATORY IMPROVEMENT ACT

● Mr. ROBB. Mr. President, I introduce legislation to address an important gap in Federal environmental law: The regulation of underground releases from aboveground storage tanks.

With this bill, we have an opportunity to work together with both industry and environmental groups to reform the Federal AST—aboveground storage tank—program, reduce the regulatory burden on industry, and improve the environment. Following efforts in the 103d Congress to improve the safety of AST's, I am introducing the Aboveground Storage Tank Consolidation and Regulatory Improvement Act.

For the past 6 years, those of us who live in northern Virginia have received an education on just how flawed the current Federal law is.

In September 1990, a petroleum sheen was discovered in a neighborhood creek in the Mantua-Stockbridge community in Fairfax County, VA.

It was the beginning of a continuing nightmare for a number of local residents, who have had to live with the knowledge that more than 200,000 gallons of petroleum product-diesel oil, jet fuel and gasoline has leaked from the nearby Pickett Road tank farm.

The exact size of the leak, and its precise causes, are still unknown. What we have seen however, is the fallout: negative health effects, environmental damage, and needless losses of millions of dollars. Some residents were temporarily relocated, others have simply moved, and still others continue to live with a cloud over their heads. All of these residents are still wondering when the Federal Government will move to address the issue of leaking aboveground storage tanks.

To date, Star Enterprise, a Texaco affiliate, has expended in excess of $100 million in remediation costs, real estate transactions, settlement of claims, and compliance with new State AST requirements.

Fairfax County has had to spend $500,000 to provide enforcement, oversight and community relations regarding the Pickett Road tank farm incident.

Unfortunately, problems with leaking AST's are not restricted to northern Virginia. Across the Nation, there are hundreds of similar leaks from aboveground petroleum storage tanks.

Major petroleum releases have occurred in Anchorage, AK; Torrance, CA; Port Everglades, FL; Hartford IL; Granger, IN; Cattlettsburg, KY; Charlotte, NC; Sparks, NV; Paulsboro, NJ; Syracuse, NY; Greensboro, NC; Ponca City, OK; Philadelphia, PA; Spartanburg, SC; Austin, TX; and Tacoma, WA.

At least five involve releases larger than the *Exxon Valdez* oil tanker catastrophe.

Whereas the *Exxon Valdez* spilled some 11 million gallons of oil, aboveground tanks in El Segundo, CA have released between 84 and 252 million gallons.

In Martinez, CA, 28 million gallons have been released.

A Tulsa, OK facility has released between 25 and 28 million gallons, and a Whiting, IN facility released 17 million gallons.

In Brooklyn, NY, residents are sitting on top of a 13 to million gallon release.

According to the Environmental Defense Fund [EDF], between 20 and 25 percent of AST's nationwide and their associated piping are likely to be leaking. A July 1994 American Petroleum Institute industry survey showed that over 85 percent of monitored refining and marketing facilities have confirmed ground water contamination; of the facilities with ground water contamination, a high percentage have offsite contamination—44 percent of refineries, at least 35 percent of marketing facilities, and 27 percent of transportation facilities.

A 1995 General Accounting Office [GAO] study on aboveground oil storage tanks that I requested, reported that EPA has found leaks typically originate from the bases of tanks where contact with soil causes corrosion; from underground piping; and from overflows associated with the transfer of stored product.

On the basis of age, the likelihood of developing corrosion leaks, and leak detection thresholds, EPA's preliminary estimates show that AST's with a storage capacity in excess of 42,000 gallons could be leaking between 43 million and 54 million gallons of oil annually.

Because petroleum contracts and expands as temperatures vary, it is often difficult to detect leaks. And because petroleum is relatively cheap, it is often less expensive to allow a known leak to continue than to interrupt operations and make a repair.

Because AST leaks are often slow and underground, they frequently do not receive the attention of the big oil tanker catastrophes, but are nonetheless dangerous.

Petroleum releases can present serious health, safety, and environmental risks. Petroleum, including gasoline, contains extremely toxic compounds, like benzene.

A plume of petroleum product can seep into basements and sewers, reaching toxic levels and causing explosions and the threat of fire.

In addition, leaking AST's can permanently contaminate groundwater, a source of drinking water for more than half the Nation. And in many cases, groundwater contamination will inevitably lead to surface water contamination.

While the extent of injuries is unknown, the 1995 GAO study reported that most injuries to human beings from exposure to oil have occurred as a result of inhaling its vapors. Effects on humans from exposure to petroleum include everything from lethargy, dizziness, and convulsions to coma, blood cancers (such as leukemia) and generalized suppression of the immune system from chronic exposure by inhalation.

And we know now that these threats present unique challenges for sensitive subpopulations such as infants, pregnant women, the elderly, and those with AIDS and other debilitating diseases.

What is astounding is that where underground storage tanks are highly regulated by a comprehensive Federal program, aboveground storage tanks, used to store some 100 billion gallons of oil nationwide, are only loosely regulated by a patchwork of confusing Federal regulations. In many cases, State fire codes regulate AST's.

State authorities are beginning to take notice of the leaking AST problem, but only 20 States have regulations on the books, and only 5 of these currently require genuine secondary containment, such as a double bottom or liner under a tank or piping.

Unfortunately, State programs vary widely and present problems for tank owners with multistate operations.

This is an enormous problem today; and it will likely continue to grow as storage tank owners seek to exploit the gaps in current Federal law by acquiring AST's over the more highly regulated underground storage tanks.

According to a January 1993 survey conducted by the Steel Tank Institute, new tank purchases of aboveground tanks are running ahead of underground tanks by a 5:2 ratio. And according to many State regulators and industry experts, this trend is continuing into the future.

This is troublesome from an environmental standpoint, and also from a fire safety perspective since aboveground tanks pose a much greater risk of fire hazard than underground tanks.

In 1989, the GAO conducted a study of inland oil spills and found existing laws deficient. In its report GAO proposed seven recommendations to EPA that if implemented, would improve the safety of aboveground oil storage tanks.

In 1995, Senator DASCHLE, Representative MORAN, and I asked GAO to investigate the progress of EPA's implementation of the recommendations. This report found that overall EPA has failed to implement or take any action on the majority of the recommendations.

At the most elementary level, current law does not even require comprehensive data collection or reporting

to know exactly how many aboveground storage tanks are leaking.

In the 103d Congress, I sponsored legislation that would have established a comprehensive regulatory program for AST's and I cosponsored legislation offered by the distinguished Senator from South Dakota, Senator DASCHLE, to regulate the estimated 800,000 to 900,000 petroleum aboveground tanks, nationwide.

Residents in Senator DASCHLE's home State were victims in 1987 of a disastrous 20,000-gallon leak in which an elementary school had to be evacuated and abandoned after vapors began filtering up into the building.

AST's are largely unregulated by Federal law; no single statute fully addresses prevention and cleanup of petroleum releases.

The legislation I am introducing today in the Senate, and will be introduced by Representatives JIM MORAN and TOM DAVIS in the House, takes a new approach to dealing with leaking AST's, but maintains the goal of improving the safety of aboveground storage tanks.

The problem of leaking AST's has been gaining national attention. In the last 5 years, EPA has conducted studies and consulted with industry experts to better define the causes of AST leaks of petroleum; more States have begun to contemplate AST programs; and the petroleum industry has recently issued standards for aboveground storage tanks.

In developing Federal legislation for the 104th Congress we moved away from the idea of a comprehensive regulatory program for aboveground storage tanks. Instead, the bill seeks to enhance, not duplicate efforts undertaken by States and the petroleum industry to improve AST safety.

There is a patchwork of AST regulations and no less than five Federal offices with AST responsibilities. This is confusing to tank owners, costly to taxpayers and harmful to the environment.

Tank owners and operators need to have clear, concise guidance on how to comply with Federal regulations.

This new legislative proposal replaces the need for comprehensive reform; instead, it improves the organization of the current program and allows EPA to do more with less, while permitting tank owners the opportunity to embrace the newly developed industry standards.

Reform in the Federal program will improve the effectiveness of current regulations, lead to greater prevention and containment of releases from AST's and improve the environment.

Prevention is the key to avoiding costly and damaging petroleum releases.

Specifically, the bill will:

Consolidate all of the Federal offices responsible for AST regulation into one office at EPA. This will increase efficiency and improve organization at EPA;

Require EPA to consolidate and streamline the current AST program. These steps will eliminate duplicative and conflicting regulations, create a user-friendly aboveground storage tank program and promote prevention measures such as secondary containment and corrosion protection;

After consolidation, the bill allows EPA to correct gaps in the regulation of large—42,000 gallons and above—aboveground petroleum tanks and encourage prevention with narrow regulations based on industry standards and cost-benefit analysis; and

Require reporting of releases and give limited emergency powers to the EPA Administrator to better assist tank owners and operators with speedier cleanups.

Should a petroleum release occur, the bill gives EPA the authority to close the troublesome part of the storage tank facility, prohibiting further operation until the Administrator determines that the closure is not necessary to protect human health, public safety, or the environment.

That is to say, after a release, the burden shifts to the tank owner to cease operations until it can prove there is no ongoing threat.

The citizens in Fairfax were outraged when told that EPA lacked such authority; this bill provides it. These provisions are essential to provide predictability and peace of mind to residents living near large aboveground storage tanks that store petroleum.

With reform of the Federal program it is estimated that $17.4 billion in savings will result from reduced leak cleanup costs, saved petroleum product, and decreased costs associated with compensating affected residents.

This bill has been developed with the guidance and support of a diverse coalition of industry and environmental groups because it is a common sense proposal to regulatory reform.

Although the bill could easily be incorporated into Clean Water Act reauthorization or Superfund reform legislation, I think the problem is of sufficient magnitude that the bill can and should move on its own. With the bill's broad support, I don't see a need to have it hung up in the complexity of reauthorization of the larger environmental statutes.

It is my hope that the introduction of this legislation today will help move this issue forward.

I would like to thank Senators DASCHLE and SIMPSON for their leadership on this issue. As original cosponsors, they have contributed greatly to my effort to reach consensus on this issue.

We have tried to offer a more targeted version of earlier legislation, which will impose less cost on business, and pose less political obstacles, but still get to the heart of the problem: The large marketing and refining facilities which hold the potential for environmental catastrophe.

In closing, Mr. President, I think the time has come to write the Aboveground Storage Tank Consolidation and Regulatory Improvement Act into law.

The County of Fairfax, VA, has recently voted to endorse this bill because it is convinced that this legislation is necessary to prevent or reduce the impact of similar releases of petroleum in the future. I have a letter of support for the bill from the Fairfax County Board of Supervisors and I request unanimous consent that it be included in the RECORD.

I look forward to working with my Senate colleagues and with the chairman of the relevant congressional committees to make this legislation a reality.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

S. 1537

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 ''Aboveground Storage Tank Consolidation and Regulatory Improvement Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) improvement of Federal regulation of aboveground storage tanks will lead to greater prevention and containment of releases from aboveground storage tanks and improvement of the environment;

(2) the Administrator of the Environmental Protection Agency has not fully implemented any of the 7 recommendations made in the 1989 report of the General Accounting Office on inland oil spills;

(3) consolidation of Federal aboveground storage tank provisions will lead to simplification of the regulatory program and will allow the Administrator to eliminate duplication and conflicting aboveground storage tank regulations; and

(4) in order to promote environmental protection, aboveground storage tank secondary containment structures should meet a minimum permeability standard.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to promote protection of the environment;

(2) to streamline the offices in the Environmental Protection Agency and other departments and agencies that administer laws governing aboveground storage tanks and underground storage tanks;

(3) to consolidate the laws governing aboveground storage tanks and eliminate duplicative regulations; and

(4) to encourage release prevention and fire protection measures in the operation of aboveground storage tanks.

SEC. 4. DEFINITIONS.

In this Act:

(1) ABOVEGROUND PETROLEUM STORAGE TANK.—The term ''aboveground petroleum storage tank''—

(A) means an aboveground storage tank that—

(i) has a capacity of 42,000 gallons or more; and

(ii) is or was at any time used to contain any accumulation of a regulated petroleum substance; but

(B) does not include an aboveground storage tank that is used directly in the production of crude oil or natural gas.

(2) ABOVEGROUND STORAGE TANK.—The term ''aboveground storage tank''—

(A) means a stationary tank, including underground pipes and dispensing systems connected to the stationary tank within the facility in which the stationary tank is located, that is or was at any time used to contain an accumulation of a regulated substance, the volume of which tank (including the volume of all piping within the facility) is greater than 90 percent above ground; and

(B) includes any tank that is capable of being visually inspected; but

(C) does not include—

(i) a surface impoundment, pit, pond, or lagoon;

(ii) a storm water or wastewater collection system;

(iii) a flow-through process tank (including a pressure vessel or process vessel and oil and water separators);

(iv) an intermediate bulk container or similar tank that may be moved within a facility;

(v) a tank that is regulated under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.);

(vi) a tank that is used for the storage of products regulated under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.);

(vii) a tank (including piping and collection and treatment systems) that is used in the management of leachate, methane gas, or methane gas condensate, unless the tank is used for storage of a regulated substance;

(viii) a tank that is used to store propane gas;

(ix) any other tank excluded by the Administrator by regulation issued under this Act; or

(x) any pipe that is connected to a tank or other facility described in this subparagraph.

(3) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(4) DIRECTOR.—The term ''Director'' means the Director of the Office.

(5) ENVIRONMENTAL LAW.—The term ''environmental law'' means 1 of the following statutes (and includes a regulation issued under any such statute):

(A) The Clean Air Act (42 U.S.C. 7401 et seq.).

(B) The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(C) The Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(D) The Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.).

(E) The Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(F) Any other statute administered by the Administrator.

(6) MODEL FIRE CODE.—The term ''model fire code'' means—

(A) fire code 30 or 30–a issued by the National Fire Protection Association;

(B) the fire code issued by the Uniform Fire Code Institute;

(C) the fire code issued by the Southern Building Code Congress International; or

(D) the fire code issued by the Building Offices and Code Administrators International.

(7) OFFICE.—The term ''Office'' means the Office of Storage Tanks established by section 5(a).

(8) PETROLEUM.—The term ''petroleum'' means—

(A) crude oil; and

(B) any fraction of crude oil that is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).

(9) REGULATED PETROLEUM SUBSTANCE.—The term ''regulated petroleum substance'' means—

(A) petroleum; and

(B) a petroleum-based substance comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing, such as a motor fuel, jet fuel, distillate fuel oil, residual fuel oil, lubricant, petroleum solvent, or used or waste oil.

(10) REGULATED SUBSTANCE.—The term ''regulated substance'' means—

(A) a substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)), but not including a substance that is regulated as a hazardous waste under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.); and

(B) a regulated petroleum substance.

(11) UNDERGROUND STORAGE TANK.—The term ''underground storage tank'' has the meaning stated in section 9001 of the Solid Waste Disposal Act (42 U.S.C. 6991).

SEC. 5. CONSOLIDATION OF OFFICES.

(a) OFFICE OF STORAGE TANKS.—

(1) ESTABLISHMENT.—The Office of Underground Storage Tanks of the Environmental Protection Agency is redesignated and established as the Office of Storage Tanks.

(2) DIRECTOR.—The Office shall be headed by a Director appointed by the Administrator.

(3) FUNCTIONS.—The Director shall perform—

(A) the functions that were vested in the Director of the Office of Underground Storage Tanks on the day before the date of enactment of this Act; and

(B) the functions transferred to the Director (or to the Administrator, acting through the Director) by subsection (b).

(b) TRANSFERS OF AUTHORITY.—

(1) INTRA-AGENCY TRANSFERS.—There are transferred to the Director all of the authorities of the following officers of the Environmental Protection Agency, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under the environmental laws:

(A) The Assistant Administrator for Air.

(B) The Assistant Administrator for Water.

(C) The Director of the Office of Emergency and Remedial Response.

(D) Any other officer to whom the Administrator has delegated authority.

(2) TRANSFER FROM THE SECRETARY OF LABOR.—There are transferred to the Administrator, acting through the Director, all of the authorities of the Secretary of Labor, acting through the Assistant Secretary for Occupational Safety and Health, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and section 126 of the Superfund Amendments and Reauthorization Act of 1986 (Public Law 99–499; 29 U.S.C. 655 note).

(3) TRANSFER FROM THE SECRETARY OF TRANSPORTATION.—There are transferred to the Administrator, acting through the Director, all of the authorities of the Secretary of Transportation, acting through the Administrator for Research and Special Programs, acting through the Associate Administrator for Pipeline Safety and the Associate Administrator for Hazardous Materials Technology, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under chapter 601 of title 49, United States Code.

(c) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—There are transferred to the Environmental Protection Agency, in accordance with section 1531 of title 31, United States Code—

(1) the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by subsection (b) (2) and (3); and

(2)(A) the personnel employed in connection with those functions; or

(B) the amount of unexpended balances of appropriations necessary to enable the Administrator to employ persons in the number of full time equivalent positions as the persons employed in connection with those functions on the day before the date of enactment of this Act,

as determined by the Director of the Office of Management and Budget, in consultation with the Administrator, the Secretary of Labor, and the Secretary of Transportation.

SEC. 6. CONSOLIDATION OF APPLICABLE LAWS.

(a) RESTATEMENT IN CONSOLIDATED FORM.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Director, in consultation with the States, shall evaluate all laws (including regulations) administered by the Director and, after notice and opportunity for public comment, issue a regulation that restates those laws in consolidated form and streamlines, to the extent practicable, the application of those laws to owners and operators of aboveground storage tanks and underground storage tanks.

(2) INTENT OF CONGRESS.—In directing the Director in paragraph (1) to restate the laws in consolidated form, it is not the intent of Congress to direct or authorize the Director to modify the requirements of those laws in any way, except as necessary or appropriate to eliminate any duplication or inconsistencies or to reduce any unnecessary regulatory burdens and except as provided in subsections (b), (c), and (d).

(b) MODEL FIRE CODES.—The regulation under subsection (a) shall be consistent with and based on the model fire codes, as in effect on the date of enactment of this Act or as they may be amended.

(c) RELEASES.—

(1) REPORTING REQUIREMENTS APPLICABLE TO ALL ABOVEGROUND STORAGE TANKS.—The regulation under subsection (a) shall require that an owner or operator of an aboveground storage tank shall report a release of 42 gallons or more of a regulated substance that occurs during a period of time specified by the director, not to exceed 5 calendar days, including a description of the corrective action taken in response to the release, to the national response center established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), unless the release is required to be reported, and is reported, under other Federal law.

(2) ORDERS APPLICABLE TO ABOVEGROUND STORAGE TANKS.—After a release from an aboveground storage tank containing a regulated substance that is determined to be an imminent threat to human health, public safety, or the environment, the Administrator may issue an order prohibiting the use or operation of all or any portion of a storage tank farm within a facility in which the aboveground petroleum storage tank is located, until the Administrator determines that—

(A) the prohibition is not necessary to protect human health, public safety, or the environment; or

(B) adequate corrective action has been taken, in accordance with the law regulating corrective action that is in effect on the date on which the determination is made.

(d) CORRECTION OF DEFICIENCIES IN THE LAW APPLICABLE TO ABOVEGROUND PETROLEUM STORAGE TANKS.—

(1) ADDITIONAL AUTHORITY.—In addition to the authority transferred to the Director by

section 5(b), the Director shall have authority to issue, and shall include in the regulation under subsection (a), release detection, prevention, and correction regulations applicable to owners and operators of aboveground petroleum storage tanks, as necessary to protect human health and the environment.

(2) CORRECTION OF DEFICIENCIES.—In conducting the evaluation of laws and issuing the regulation under subsection (a), the Director shall—

(A) determine whether there are any deficiencies in the law applicable to aboveground petroleum storage tanks on the day before the date of enactment of this Act, specifically with reference to secondary containment, overfill prevention, testing, inspection, compatibility, installation, corrosion protection, and structural integrity of aboveground petroleum storage tanks; and

(B) if the Director determines that any such deficiencies exist—

(i) examine industry standards that address the deficiencies;

(ii) give substantial weight to industry standards in formulating the regulations required by paragraph (1); and

(iii) design the regulation in the most cost-effective manner to address the deficiencies.

(e) ENFORCEMENT.—

(1) IN GENERAL.—The regulation under subsection (a) shall make clear the statutory enforcement provisions and other statutory provisions that apply to each provision of the regulation.

(2) ADDITIONAL AUTHORITY.—Any provision of the regulation under subsection (c) or (d) that implements authority conferred by this Act in addition to authority under law in effect on the day before the date of enactment of this Act shall be enforced under and in accordance with the procedures stated in section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e).

SEC. 7. REPORTS.

(a) INTERIM REPORT.—Not later than 2 years after the date of enactment of this Act, the Director shall submit to Congress a report describing the progress made and any tentative conclusions drawn in the evaluation process under section 6(a)(1).

(b) FINAL REPORT.—Simultaneously with the issuance of the regulation under section 6(a)(1), the Director shall submit to Congress a final report that—

(1) describes the evaluation made and the regulation issued under section 6(a)(1); and

(2)(A) states the extent to which the regulation implements the recommendations made in the 1989 report of the General Accounting Office on inland oil spills and the 1995 report of the General Accounting Office on the status of the Environmental Protection Agency's efforts to improve the safety of aboveground storage tanks; and

(B) to the extent that the consolidated regulation does not implement the recommendations, describes the Director's plans regarding the recommendations.

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX,
Fairfax, VA, January 25, 1996.

Hon. CHARLES S. ROBB,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR CHUCK ROBB: Fairfax County is aware that legislation entitled ''The Aboveground Storage Tank Consolidation and Regulatory Improvement Act of 1995'' is to be introduced in the United States Congress in the very near future. It is the County's impression that this bill is designed to consolidate authorities and regulatory functions associated with both aboveground and underground storage tanks for the purpose of strengthening oversight and enforcement, as well as to improve upon the development of regulations for those facilities. We believe that the legislation as proposed has the potential to positively impact the organization and focus of responsibilities and authorities pertinent to the regulation of storage tanks.

Fairfax County is home to more than 20,000 commercial and residential aboveground and underground storage tanks. During the last several years the County has had first-hand experience with the potential impacts these facilities pose on public health, safety, and the environment. It has become evident to the County that more focused, concise, and adequate oversight is required to both prevent and correct potential problems associated with storage tank facilities. This view is supported by the County's experiences with the hundreds of leaking underground storage tanks and the more notable problems of the Fairax Bulk Petroleum Terminal release in which over 189,000 gallons of petroleum was discharged into the groundwater traveling into the neighboring Mantua/Stockbridge residential community. The proposed legislation provides the potential for a more focused approach which might prevent or reduce the impact of similar events in the future.

On behalf of the citizens of Fairfax County, the Board of Supervisors urges the members of Congress to seriously consider the benefits of the proposed legislation. ''The Aboveground Storage Tank Consolidation and Regulatory Improvement Act of 1995'' and provide the appropriate support to ensure its enactment during the current legislative session. If the County or its staff can be of further assistance with this matter, please do not hesitate to contact me. Your consideration of the County's position is appreciated.

Sincerely,

KATHERINE K. HANLEY,
Chairman.●

By Mr. GLENN (for himself and Mr. GORTON):

S. 1538. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of excess benefit arrangements for certain tax-exempt group medical practices, and for other purposes; to the Committee on Finance.

GROUP MEDICAL PRACTICES LEGISLATION

● Mr. GLENN. Mr. President, our Nation's few nonprofit medical practices have a well-deserved, international reputation for medical excellence. Among those prestigious institutions is the Cleveland Clinic, considered one of the world's finest medical facilities. The Cleveland Clinic and other outstanding facilities such as the Virginia Mason Clinic in Seattle, WA, and the Mayo Clinic in Rochester, MN, provide significant charity care, offer outstanding medical education and training, lead in medical research and are deeply involved in community service.

However, compensation rules for nonprofit employers—including teaching hospitals, community clinics, and integrated health systems, are governed by stringent limits on reasonable compensation which do not apply to physicians in private practice or in the for-profit sector.

Today I am introducing along with the distinguished Senator from Washington [Mr. GORTON], legislation to amend the Internal Revenue Code to provide a limited exemption from IRC section 457 to eligible group medical practices. It would increase the dollar limitations for members and employees of those practices from the limitations of section 457(c)(2).

I believe that this change in law would be good public policy. With flexibility to offer reasonable deferred compensation packages, these clinics can continue to recruit and retain the high quality individuals whose training, skills, and experience are crucial to the patient population they serve.

An important way to encourage physician groups and other medical professionals to continue to organize in a not-for-profit status. However, current law provides for disincentives for this not-for-profit status. This legislation would remove these obstacles.

Mr. President, companion legislation has already been introduced in the House. I urge the Senate Finance to carefully review the issues that we raise in this legislation and I urge my colleagues to join me in support of this measure.●

● Mr. GORTON. Mr. President, today Senator GLENN and I are introducing a limited, but important piece of legislation. This legislation will provide a solution to a vexing problem that afflicts many of the most distinguished not-for-profit group medical practices in this country, such as Virginia Mason Clinic in Seattle, the Mayo Clinic in Rochester, and the Cleveland Clinic in Cleveland.

Our Nation's not-for-profit medical practices, which include teaching hospitals, community clinics, and integrated health systems, perform essential public services. They provide significant charity care to our Nation's poor and elderly, offer some of the finest medical education and training in the world, and are acknowledged leaders in medical research. Furthermore, not-for-profits perform these public services while maintaining a well-deserved, international reputation for medical excellence.

Despite their excellent delivery of essential medical services, tax laws restrict not-for-profit group medical practices from offering their medical professionals a level of deferred compensation that is competitive with that available to physicians in the for-profit sector. These limits on deferred compensation exist even though medical professionals in nonprofit practices already sacrifice substantial personal benefits and competitive salaries in order to serve the most needy in their communities. This sacrifice on the part of nonprofit physicians has potentially damaging repercussions for society when physicians leave the nonprofit sector for the benefits of the private sector.

Today, we seek to remove some of the disincentive that exist for medical professions to enter into the nonprofit area of health care. The bill we are introducing amends the Internal Revenue Code to provide a limited exemption from IRC section 457 to eligible group

medical practices. This amendment would increase the dollar limitations for members and employees of those practices, index the deferred amount for inflation, and exempt eligible medical group practices from limitations of section 457(c)(2).

By providing nonprofit, teaching, medical centers the ability to offer deferred compensation packages to their professions at levels that are competitive with the for-profit sector, our nonprofit medical centers will be able to recruit and retain the caliber of individuals whose training skills, and expertise are crucial to the often innercity or rural patients they serve.●

By Mrs. HUTCHISON:

S. 1539. A bill to establish the Los Caminos del Rio National Heritage Area along the Lower Rio Grande Texas-Mexico border, and for other purposes; to the Committee on Energy and Natural Resources.

THE LOS CAMINOS DEL RIO NATIONAL HERITAGE AREA ACT OF 1996

● Mrs. HUTCHISON. Mr. President, along the Lower Rio Grande from Laredo, TX to the Gulf of Mexico, are found resources of immense economic, natural, scenic, historical, and cultural value. On both the United States and Mexican sides of the Rio Grande, important historical themes and resources of local, State, national, and international importance characterize the river communities and counties along the Lower Rio Grande. These include early 16th- and 17th-century Spanish and French explorations, 18th-century river settlements founded under the Spanish Crown, 18th-century ranches where the first American cowboys rode, Texas independence and establishment of the Republic of the Rio Grande in 1840, the first battle of the Mexican-American War in 1846, the last land battle of the American Civil War fought near the mouth of the Rio Grande in 1865, a thriving steamboat trade in the late 19th-century, and the development of the Rio Grande Valley as an agricultural empire. Today, the Lower Rio Grande is one of the most complex ecological systems in the United States, with a remarkable variety of species including 600 different vertebrates, such as the plain chachalaca, the only member of the curassow family found in the United States, and 11,000 different and unique plants, like the Texas strawberry cactus.

Given the remarkable diversity and international importance of this area, local and regional governments, Federal and State agencies, businesses, private citizens and organizations in the United States and Mexico have expressed a desire to work cooperatively to preserve the most significant components of the natural and cultural heritage throughout the region, while accommodating sustainable growth and development.

Mr. President, in conjunction with these efforts, I am pleased to introduce today the Los Caminos del Rio National Heritage Area Act of 1996. This act will designate the Lower Rio Grande as a congressionally authorized national heritage area, thereby recognizing the unique and binational importance of the Lower Rio Grande region.

The Los Caminos del Rio National Heritage Area Act of 1996 recognizes the special importance of the Lower Rio Grande region as a living historical legacy of the United States and Mexico. Los Caminos del Rio will create partnerships between public and private entities to finance projects and initiatives throughout the Lower Rio Grande while requiring local governments and private entities to share costs with the Federal Government. Furthermore, it will promote cooperation between Mexico and the United States while enhancing the economies of the many Rio Grande communities.

Mr. President, in a time of fiscal constraints, national heritage areas are fiscally sound, budget-conscious alternatives to the traditional national park designation. That is why Senator BEN NIGHTHORSE CAMPBELL has introduced legislation to encourage such partnerships as an alternative to the traditional national park designation and why I am now introducing the Los Caminos del Rio National Heritage Area Act of 1996.

Additionally, I should like to point out that my bill pays particular and close attention to the rights of private property owners. I have listened to and worked with various property advocacy groups in order to craft a bill that specifically addresses concerns through concrete protections preventing property rights infringement and diminishment of value. For example, my bill prohibits conditioning of Federal assistance on enactment or modification of any land-use restrictions, mandates quarterly public hearings within the heritage area, and specifically states that nothing in the bill shall modify, enlarge, or diminish any authority of Federal, State, or local government to regulate any zoning or use of land, including fish and wildlife management. I hope to continue working with these property groups as this legislation moves toward passage.

The Los Caminos del Rio heritage project, which began in 1990 with a grant awarded to the Texas Historical Commission, has become a crucial unifier of the Lower Rio Grande region, facilitating contacts between small communities and their State and Federal Governments and with private philanthropy. That same process has occurred in Mexico, where border communities that have traditionally felt abandoned and overlooked have been able to take advantage of Los Caminos del Rio. Because they are part of a regional project, they are now part of national and State tourism and conservation programs.

Mr. President, I look forward to working with Senator CAMPBELL and others in passing this legislation to designate Los Caminos del Rio as a National Heritage Area, to establish guidelines for the designation of other such areas, and to offer security for owners of private property within such areas.●

By Mr. HATCH:

S. 1540. A bill to amend chapter 14 of title 35, United States Code, to preserve the full term of patents; to the Committee on the Judiciary.

THE FULL PATENT TERM PRESERVATION ACT OF 1996

Mr. HATCH. Mr. President, I am pleased to rise today to introduce S. 1540, the Full Patent Term Preservation Act of 1996. Very simply stated, this legislation will allow the Patent and Trademark Office [PTO] to restore patent term in cases in which patent life has been shortened due to unusual and unavoidable administrative delay.

I wish to commend the majority leader, my good friend from Kansas, for first bringing this matter to my attention. I share Senator DOLE's concern that patent term not be eroded due to unusual delays in evaluating patent applications by the PTO. The recent adoption of the new 20 year from time of filing patent term has created a need for legislation to address the issues giving rise to the Dole/Rohrabacher measure.

As my colleagues are aware, the legislation implementing the General Agreement on Tariffs and Trade [GATT] passed by the Congress and signed by the President in December, 1994, contained a provision designed to achieve harmonization of patent standards in the international community. This was accomplished by changing our old system, which allowed for a patent term equal to 17 years from the date the patent was issued, to a new system in which patents are valid for 20 years from the date of application.

There has been some concern expressed that the transition under GATT from a ''17-year from issuance'' to a ''20-year from filing'' patent term will cause some inventors to lose valuable patent term. This can occur when patent applications are under review at PTO for unusually long periods of time. To remedy this potential loss of patent term, the bill I am introducing today will allow the PTO to restore patent term for up to 10 years if such term are lost because of unusual and unavoidable administrative delay. The bill also provides an opportunity for an independent review of the Commissioner's determination.

At present, the patent code does not allow for patent term restoration on the basis of ''unusual administrative delay.'' Such a provision was not included in previous legislation because it was believed that there were too few cases to warrant its inclusion. Nevertheless, the changes made by the GATT implementing legislation and several cited cases in which patent applications have taken up to 10 years to be

processed have heightened an awareness of the need to address the potential diminution of patent life. If enacted, the Full Patent Term Preservation Act of 1996 will allow inventors to regain patent term lost due to unusual administrative delay.

S. 1540 addresses the same general issue expressed by the distinguished majority leader, Senator DOLE, and by Congressman ROHRABACHER in their legislation this Congress. I am very sympathetic to the problem which led them to introduce their legislation and I want to work closely with them to resolve the matter. At the same time I must note my concern that previous legislative proposals pose at least two problems. First, a provision that allows each applicant to select the way in which the patent term will be measured could pose significant administrative problems. And second, I am still concerned that we have not done enough to address the problem of so-called submarine patents which was one of the motivating factors behind adopting the GATT change.

As with the Dole/Rohrabacher legislation, the Full Patent Term Preservation Act of 1996 attempts to preserve a full term of patent protection for American inventors, thereby promoting creativity and investment and maintaining U.S. competitiveness in the rapidly growing high-tech global marketplace. However, by retaining the basic principle of measuring the patent term from the earliest filing date, my proposed legislation preserves the necessary incentives for patent applicants to diligently and expeditiously pursue the issuance of their patent.

As chairman of the Judiciary Committee, it is my intention to hold hearings on these issues in the near future. I want to make clear to my colleagues that the measure I introduce today is an effort to start the process of finding a middle ground which will accommodate the interests of all parties. I intend for the Judiciary Committee to examine this issue very closely over the next few months and I look forward to working with Senator DOLE and all other interested parties to make any necessary modifications.

Before closing, I want to mention my interest in soliciting input on one particular provision of this legislation. Section 2 grants the PTO the authority to determine the circumstances under which a patent adjustment can be made. Some have questioned whether providing this authority to the very agency which caused the delay would be the most appropriate way to address the adjustment issue.

Mr. President, I believe that S. 1540, the Full Patent Term Preservation Act of 1996 is a balanced legislative response to the problem of potential loss of patent term. It will protect the legitimate patent rights of American inventors, uphold our international treaty obligations under GATT, and provide the necessary incentives to ensure the responsible and timely pursuance of patent applications. I urge my colleagues to support this legislation and look forward to its timely consideration.

I ask unanimous consent that the text and a section-by-section analysis of the bill be printed in the RECORD.

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

S. 1540

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 ''Full Patent Term Preservation Act of 1996''.

SEC. 2. PATENT TERM DETERMINATION AUTHORITY.

(a) IN GENERAL.—Section 154(b) of title 35, United States Code, is amended to read as follows:

''(b) DETERMINATION OF PATENT TERM.—

''(1) BASIS FOR PATENT TERM ADJUSTMENT.—

''(A) IN GENERAL.—Subject to paragraph (2), the term of a patent shall be adjusted to include the period of time for which the issue of the original patent was delayed due to—

''(i) a proceeding under section 135(a) of this title;

''(ii) the imposition of an order pursuant to section 181 of this title;

''(iii) appellate review by the Board of Patent Appeals and Interferences or by a Federal court where the patent was issued pursuant to a decision in the review reversing an adverse determination of patentability; or

''(iv) an unusual administrative delay by the Office in issuing the patent.

''(B) REGULATIONS.—The Commissioner shall prescribe regulations to govern the determination of the period of delay, including the particular circumstances determined to be an unusual administrative delay under subparagraph (A).

''(2) LIMITATIONS.—

''(A) MAXIMUM PERIOD OF ADJUSTMENT.—The total duration of all adjustments of a patent term under this subsection shall not exceed 10 years. No patent term may be adjusted by a period greater than the actual period of time that the issue of a patent was delayed as determined by the Commissioner. To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

''(B) DUE DILIGENCE.—The period of adjustment of the term of a patent under this subsection shall be reduced by a period equal to the time during the processing or examination of the application leading to the patent in which the applicant did not act with due diligence to conclude processing or examination of the application. The Commissioner shall prescribe regulations establishing the circumstances that constitute a failure of an applicant to act with due diligence to conclude processing or examination of an application.

''(C) TERMINAL DISCLAIMER.—No patent, the term of which has been disclaimed beyond a specified date, may be adjusted under this section beyond the expiration date specified in the disclaimer.

''(3) NOTICE TO COMMISSIONER.—In a case in which a patent term is adjusted under this subsection, the Commissioner shall determine the period of any patent term adjustment available under this section and shall include a copy of that determination with the final notice. The Commissioner shall prescribe regulations establishing procedures for the application for, and notification of, patent term adjustments granted by the Commissioner under this subsection.

''(4) JUDICIAL REVIEW.—Any applicant dissatisfied with a determination by the Commissioner under paragraph (3) may have remedy by civil action in the United States Court of Federal Claims if commenced within 60 days after the mailing of the notice of allowance as the Commissioner appoints. The initiation of a civil action under this section shall not delay the issuance of a patent.''.

(c) TECHNICAL CLARIFICATION.—Section 156(a) of title 35, United States Code, is amended—

(1) in the matter preceding paragraph (1) by inserting '', which shall include any patent term adjustment granted under section 154(b),'' after ''the original expiration date of the patent''; and

(2) in paragraph (2) by inserting before the semicolon '', except as provided under section 154(b)''.

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 shall take effect on the date of the enactment of this Act and shall apply to any application filed on or after June 8, 1995.

FULL PATENT TERM PRESERVATION ACT
SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.—This section titles the bill the ''Full Patent Term Preservation Act of 1996.''

Section 2. Patent Term Determination Authority.—This section makes certain that the term of a patent will be adjusted to include time attributable to certain delays in review of patent applications.

Specifically, section 2(b)(1) mandates that adjustments will be made for time elapsed due to: proceedings designed to determine the priority of invention (''interference'' under section 135(a) Title 35 U.S.C.); orders pertaining to a determination that the patent would be detrimental to the national security (section 181 of Title 35); and cases in which the Board of Patent Appeals and Interferences or a Federal court reverses an adverse finding of patentability. In addition, the Commissioner shall make adjustments due to unusual administrative delay by the Patent and Trademark Office (PTO) in issuing the patent.

The PTO Commissioner is authorized to promulgate regulations to govern how the period of delay is to be determined, including the circumstances that constitute ''unusual administrative delay.''

Section 2(b) also establishes a 10 year limitation for adjustments in patent terms under this section and precludes adjustments in patent term beyond the actual number of days that a patent was delayed. No adjustment in patent term may be granted for time periods when the applicant did not act with ''due diligence.'' The Commissioner is authorized to promulgate regulations to define the application of the ''due diligence'' provisions.

Section 2(b) also instructs the Commissioner to notify the applicant, on the day the patent issues, of any patent term restoration the applicant is entitled to under this section. Finally, section 2(b) provides the right to judicial review in the United States Court of Federal Claims for those patent applicants

dissatisfied with the determination of the Commissioner with respect to patent term adjustments.

Section 2(c) makes certain technical conforming changes between sections 154 and 156 of the patent provisions of Title 35, U.S.C. Section 2(c) allows the patent term adjustments provided in section 156 to restore patent term lost due to Food and Drug Administration regulatory review to be additive to any patent term restoration granted under section 154 to compensate for patent term unavoidably lost in the patent prosection process.

Section 3. Effective Date.—This section makes the new provisions contained in section 2 effective for any patent application filed on or after June 8, 1995.

By Mr. LUGAR (for himself, Mr. DOLE, Mr. HELMS, Mr. COCHRAN, Mr. CRAIG, Mr. GRASSLEY, Mr. PRESSLER, and Mr. COVERDELL):

S. 1541. a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; read the first time.

AGRICULTURAL MARKET TRANSITION ACT

Mr. LUGAR. Mr. President, I rise to support the Agricultural Market Transition Act of 1996. This legislation is identical to Title I of the Balanced Budget Act, with two changes which I shall mention shortly.

Congress passed the Balanced Budget Act and the President, most unfortunately for the country, vetoed it. We hope that some spending cuts can be added to legislation raising the Federal debt limit. However, the veto creates a problem for U.S. agriculture.

The problem is that commodity support programs for the next 7 years were part of the BBA. Existing authority for these programs has now expired. All that remain are outdated statutes from 1938 and 1949. The Clinton administration confirms that implementing these statues could add $10 to $12 billion to the cost of running farm programs for 1996 crops alone.

That is intolerable for taxpayers. Farmers do not support such an irresponsible policy. The solution is to enact a new farm bill.

Farmers need to know what farm policies will be—not just for the next 12 months but for the next several years. We owe it to U.S. agriculture to enact a long-term plan, not a stopgap measure.

This bill's agricultural provisions are a long-term plan endorsed by a broad spectrum of agricultural groups. From national groups like the American Farm Bureau Federation and the National Corn Growers Association, to state groups like the Kansas Association of Wheat Growers and the North Dakota Grain Growers, U.S. producer and agribusiness organizations support this plan.

It is simple, in contrast to the needless complexity of current programs.

It offers certainty. Farmers will know what their future payments will be. Taxpayers will know how much will be spent. U.S. agriculture will have security against future budget cuts.

Finally, it is market-oriented. Farmers' payments will be the same even if they plant alternate crops. Producers' planting decisions will be based on the market—as they should be. Under the BBA, there will be full planting freedom, not arbitrary government production controls.

Mr. President, I ask unanimous consent that a brief summary of this bill's provisions be printed in the RECORD.

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

SUBTITLE A—AGRICULTURAL MARKET TRANSITION PROGRAM

Production flexibility contracts—Eligible producers (those who had participated in the wheat, feed grains, cotton and rice programs in any one of the past five years) can enter into seven-year ''production flexibility contracts'' between 1996 and 2002. The deadline for entering into the contract would be April 15, 1996. Payments would be made on September 30 of each year beginning in 1996. Farmers would also have the option of receiving half of their annual payment by December 15 of the previous year (except in 1996 when the advance payment would be due within 60 days of the signing of the contract.)

Payment would be made on 85 percent of a farm's contract acreage. On this acreage participants would be free to plant any program crop, oilseed, industrial or experimental crop, mung beans, lentils and dry peas. Planting of fruits and vegetables would be prohibited on contract acres. These commodity program changes will result in $8.6 billion in budget savings over the next seven years.

Peanuts—The legislation saves $434 million from the federal peanut program, making it a no-cost program. The price support program for peanuts is extended through 2002, but the quota support rate is lowered from $678/tone to $610/ton. The price support escalator is eliminated. The legislation eliminates the national poundage quota floor (currently 1,350,000 tons) and undermarketing provisions of current law. Previously considered reforms for quota reduction, the sale, lease and transfer of quota across county lines, and offers from handlers were removed from the bill due to Byrd rule considerations. These reforms will likely be taken up later as part of separate legislation.

Sugar—In order to make the program more market-oriented, a recourse loan system is implemented until imports reach 1.5 million short tons for FY 1997 1997–2002. The bill terminates marketing allotments and implements a one cent penalty on forfeited sugar. Provisions of current law that require the Sugar Program to operate at no-net cost are retained in this bill. It also retains the loan rate of raw cane sugar and refined beet sugar at the 1995 levels, 18 cents and 22.9 cents respectively, and retains a nine-month loan. The legislation would raise the assessment on sugar processors to achieve $52 million in budget savings over seven years toward deficit reduction.

Nonrecourse marketing assistance loans—The conference agreement establishes maximum loan rates at the following (1995) levels: Rice: $6.50/cwt; Upland Cotton: $0.5192/lb; Wheat: $2.58/bu; Corn: $1.89/bu; Soybeans: $4.92/bu; ELS Cotton: $0.7965/lb.

The Secretary would retain authority to make downward adjustments to wheat and feed grains loan rates based on specified stocks-to-use criteria. The bill also establishes a minimum loan rate for rice at $6.50/cwt and cotton at $0.50/lb. The conference agreement also eliminates the 8-month cotton loan extension. The loan rate provisions of the conference agreement will save $107 million.

Payment limitations—The conference agreement reduces the current payment limitation by 20 percent, from $50,000 to $40,000. The bill extends provisions of current law that limit marketing loan gains and loan deficiency payments to $75,000 per person per year. The payment limitation reduction achieves $150 million in budget savings.

Program authority elimination—This legislation repeals the Agriculture Act of 1949 as well as the permanent law provisions of the Agriculture Adjustment Act of 1938. Also eliminated are authorities for the Farmer Owned Reserve and the Emergency Livestock Feed Assistance Program.

SUBTITLE B—CONSERVATION

Conservation Reserve Program (CRP)—The CRP is capped at the current level of 36.4 million acres for a savings of $569 million over seven years. Also adopted was an ''early out'' provision to allow contract holders to terminate CRP contracts upon written notification of the Secretary.

Livestock Environmental Assistance Program (LEAP)—The program is established to help livestock producers improve environmental and water quality. The program makes available $100 million annually to provide technical and cost-share assistance in implementing structural and management practices to protect water, soil and related resources from degradation associated with livestock production.

SUBTITLE C—AGRICULTURAL PROMOTION AND EXPORT PROGRAMS

Market Promotion Program (MPP)—MPP expenditures are capped at $100 million through 2002 producing a savings of $60 million.

Export Enhancement Program (EEP)—EEP expenditures are capped at $350 million in 1996 and 1997; $500 million in 1998; $550 million in 1999; $579 million in 2000 and $478 million for 2001 and 2002. Total savings for EEP will be $1.27 billion.

SUBTITLE D—MISCELLANEOUS

Crop insurance—The bill eliminates the mandatory nature of catastrophic crop insurance, but requires producers to waive all federal disaster assistance if they opt not to purchase insurance. Dual delivery of crop insurance is eliminated in those states that have adequate private crop insurance delivery. The bill also corrects a provision of current law by amending the Federal Crop Insurance Act to include seed crops. The crop insurance provisions of the bill result in net savings of $130 million.

Agriculture quarantine and inspection—The bill amends the Food, Agriculture, Conservation and Trade Act of 1990 to allow the Secretary to collect and spend fees collected over $100 million to cover the cost of providing quarantine and inspection services for imports.

Commodity Credit Corporation (CCC) interest rates—Rates on CCC agriculture commodity loans are increased by 100 basis points for a savings of $260 million over seven years.

Mr. LUGAR. I would also like to mention two changes from the BBA as it passed the House and Senate.

Under the Livestock Environmental Assistance Program, limits are placed on the size of operations that may receive benefits. The BBA contained

these limits but some felt that for dairy operations, the limits were too strict. Therefore, dairy operations of 700 or fewer cows will now be eligible.

The other change deals with which crops may be planted on acres enrolled in income support contracts. The bill introduced today will treat fruit and vegetable crops in the same manner as current law—that is, they may not be planted on contract acres.

Mr. President, the Agricultural Market Transition Act of 1996 represents a bold departure from the past. It is a new direction for American agriculture. It will reduce Federal spending, reform price support programs, and prepare U.S. farmers for what promises to be an exciting new century, full of opportunities for the most efficient food producers in the world.

Mr. GORTON. Mr. President, today I am pleased to join my colleagues Senators CRAIG, DOLE, LUGAR, COCHRAN, and GRASSLEY, supporting a farm bill that will let our farmers farm according to the marketplace and stop the Federal Government from telling our farmers what crop to plant, when to plant, and how much to plant. These decisions belong to the farmer—not the Federal Government.

On September 30 of last year the farm bill expired. Farmers in my State of Washington and across the country need to know what the farm program will be. They cannot wait any longer. Currently, farmers in my State are meeting with their bankers, making plans for this year's crop, determining their financial situation, and evaluating their equipment needs. As my good friend from Iowa, Senator GRASSLEY, said on Tuesday, ''farmers of this country deserve to know what the farm program will be this year and they need to know as soon as possible.'' The senior Senator from Iowa is correct. We cannot in good conscience delay in passing a farm bill. We owe it to the American farmer to take action.

Farmers in my State tell me that they want less Government, less red tape, and less paperwork. Farmers in my State simply want more flexibility; they want the Federal Government out of their lives. A market transition style farm program gives them what they have asked for and provides a seven year transition to full market-oriented farming.

A market transition style farm program could not come at a better time. Many important developments have taken place since the completion of the Uruguay Round of the General Agreement of Tariffs and Trade [GATT]. I believe that GATT will continue to open new world markets for the United States, and with a farm program that allows our farmers to farm according to the marketplace we will provide them with the flexibility they need to respond quickly to the demands of emerging world markets.

A market transition style farm program also moves us towards a balanced budget, saving nearly $13 billion in budget outlays over 7 years. Since 1969, the last year in which there was a balanced budget in this country, we have piled debt on our shoulders and on the shoulders of our children and grandchildren of almost $5 trillion. That means, Mr. President, that a child born today inherits an obligation of some $187,000 during his or her life simply to pay interest on the national debt. This statistic alone starkly illustrates not just the fiscal and financial necessity, but the moral necessity of a sharp change in direction. This country can no longer continue goods and services for which it is unwilling to pay. If we do not change the way we do things here in Washington, DC, our children and grandchildren will suffer terribly.

If we do balance the Federal budget we will provide American families and American farmers with better jobs, higher wages, lower interest rates, and economic certainty. All of this means more money in the pockets of American farmers. One thing is for certain, Mr. President: we must balance the budget and we must balance it now.

For all of these reasons, Mr. President, I support my colleagues, Senators CRAIG, DOLE, LUGAR, COCHRAN, and GRASSLEY, as we work together to provide American farmers with the flexibility they need to do what they do best: provide healthy, safe, and abundant food for families around the world.

By Mr. SPECTER (for himself and Mr. HOLLINGS):

S.J. Res. 48. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

CAMPAIGN EXPENDITURES CONSTITUTIONAL AMENDMENT

Mr. SPECTER. Mr. President, I have sought recognition today for purposes, with the cosponsorship of the distinguished Senator from South Carolina, Senator HOLLINGS, to introduce a constitutional amendment which is broader than any yet pending, which would authorize the Congress and the State legislatures to set spending limits on what any individual can spend of his or her own money in the context of a candidacy.

I had wanted to introduce this amendment on January 30, which is next Tuesday, because January 30 is the 20th anniversary of the decision of the Supreme Court in Buckley versus Valeo, which said that an individual can promote his or her candidacy to the maximum extent he or she chooses with their own personal funds as a matter of first amendment protection of freedom of speech.

It has always been a little hard for me to understand how anything from the freedom of speech is implicated in a matter of campaign financing. For the past 6 years, Senator HOLLINGS and I and others have tried to advance this constitutional amendment, which is difficult because it picks on the first amendment.

But in seeking to amend the first amendment, we do not seek to change the language of the first amendment, which I think is sacrosanct. What we seek to do is to overrule, in effect, a split decision by the Supreme Court of the United States in interpreting the first amendment.

Money is the scourge of politics, and to buy high public office is, obviously, against public policy. There are many who have, in effect, bought public office, including some seats of the U.S. Senate. But it is only recently that this matter has come into sharp focus when a candidate for the Presidency of the United States, who is reputed to have assets in excess of $400 million, set out to, in effect, buy the White House.

According to this morning's New York Times, some $15 million has already been expended on that effort. I think it is especially problemsome when a substantial part of that money is dedicated to negative advertising which, in effect, seeks to impugn the reputation of an opponent who spent more than 40 years in public life.

I believe what is going on in the Presidential primaries, the Republican primaries, today has caused a great deal of focus of attention, and it is high time that we took some action to stop someone from buying public office, especially the Presidency of the United States, especially the White House.

I will add, Mr. President, that I personally feel especially strong about this particular matter, because I filed for the U.S. Senate during the first election cycle following the enactment of the 1974 legislation which limited the amount of moneys which could be spent on Federal elections.

That 1974 statute said that for a State the size of Pennsylvania, with 12 million people, the most anyone could spend of his or her own money was $35,000. That year, I contested for that office with then-Congressman John Heinz, who later I served with in the Senate as a colleague and who became one of my very, very best friends, a Senator we sorely miss in this body.

But with the playing field somewhat leveled with the $35,000 maximum individual expenditure, I thought that race was one to be undertaken. Then, right in the middle of the campaign, on January 30—we had an August 22 primary in 1976; I declared my candidacy in November of 1975—right in the middle of the campaign, the Supreme Court of the United States said any candidate can spend as much of his or her money that he or she wanted.

Somewhat anomalous, my brother, who could have bankrolled my campaign—I do not know he would have, but he could have—was limited to $1,000 under the act, and that remained in place by the Supreme Court decision.

It is a little hard to see the first amendment freedom of speech rights of

SPECTER being different than the freedom of speech rights of a candidate. We have lived with Buckley versus Valeo for 20 years, and it is bad legal construction. There is nothing in the first amendment, there is nothing in the logic of the law which suggests the first amendment gives an individual the right to spend as much of his or her own money as he or she chooses.

It certainly is bad public policy to have someone seek to buy an office, especially the Presidency of the United States.

So I urge my colleagues to join Senator HOLLINGS and myself. As we have talked in the quarters and in the cloakrooms and on the floor of the Senate in these past several days, I believe that there is a growing sentiment in the Congress to do something about Buckley versus Valeo, to see to it that we do not have high public office up for sale in this great country.

ADDITIONAL COSPONSORS

S. 295

At the request of Mrs. KASSEBAUM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 298

At the request of Mr. DOMENICI, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 298, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 837

At the request of Mr. WARNER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 968

At the request of Mr. MCCONNELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 968, a bill to require the Secretary of the Interior to prohibit the import, export, sale, purchase, and possession of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1039

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 1039, a bill to require Congress to specify the source of authority under the United States Constitution for the enactment of laws, and for other purposes.

S. 1370

At the request of Mr. CRAIG, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1370, a bill to amend title 10, United States Code, to prohibit the imposition of any requirement for a member of the Armed Forces of the United States to wear indicia or insignia of the United Nations as part of the military uniform of the member.

S. 1426

At the request of Mr. CRAIG, his name was withdrawn as a cosponsor of S. 1426, a bill to eliminate the requirement for unanimous verdicts in Federal court.

S. 1453

At the request of Mr. BURNS, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1453, a bill to prohibit the regulation by the Secretary of Health and Human Services and the Commissioner of Food and Drugs of any activities of sponsors or sponsorship programs connected with, or any advertising used or purchased by, the Professional Rodeo Cowboy Association, its agents or affiliates, or any other professional rodeo association, and for other purposes.

S. 1487

At the request of Mr. GRAMM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1519

At the request of Mr. DOLE, the names of the Senator from Virginia [Mr. WARNER], the Senator from Maine [Ms. SNOWE], the Senator from Indiana [Mr. COATS], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 1519, a bill to prohibit United States voluntary and assessed contributions to the United Nations if the United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees.

S. 1520

At the request of Mr. HELMS, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1520, a bill to award a congressional gold medal to Ruth and Billy Graham.

SENATE RESOLUTION 152

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Resolution 152, a resolution to amend the Standing Rules of the Senate to require a clause in each bill and resolution to specify the constitutional authority of the Congress for enactment, and for other purposes.

SENATE RESOLUTION 213—COMMENDING SENATOR SAM NUNN FOR CASTING 10,000 VOTES

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

S. RES. 213

Whereas the Honorable Sam Nunn has served with distinction and commitment as a U.S. Senator from the State of Georgia since January 1973;

Whereas his dedicated service as a U.S. Senator has contributed to the effectiveness and betterment of this institution;

Whereas he has dutifully and faithfully served the Senate as Chairman of the Armed Services Committee, (1987–1994); and

Whereas his expertise and leadership in defense and military policies has been of tremendous benefit to our Nation and to our men and women in uniform: Now, therefore be it

Resolved, That the U.S. Senate congratulates the Honorable Sam Nunn, the senior Senator from Georgia, for becoming the 17th U.S. Senator in history to cast 10,000 votes.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator Sam Nunn.

SENATE RESOLUTION 214—RELATIVE TO THE PAYMENT OF SOCIAL SECURITY OBLIGATIONS

Mr. BROWN submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 214

Resolved, That it is the sense of the Senate that as the Secretary of the Treasury plans for cash flow management in the absence of an extension to the debt limit of the United States, the Secretary shall give first priority to the payment of Social Security benefits over the payment of other Government obligations.

SENATE RESOLUTION 215—TO DESIGNATE JUNE 19, 1996, AS ''NATIONAL BASEBALL DAY''

Mr. LAUTENBERG (for himself, Mr. BRADLEY, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 215

Whereas the seeds of modern baseball were planted on the Elysian Fields of Hoboken, New Jersey, on the warm spring afternoon of June 19, 1846;

Whereas on that historic date, one of baseball's earliest and most influential teams,