

estimation, are the most intense and hottest wild fires we have ever experienced. As a result, Mother Nature is not served well. These fires devastate the forests, leaving not even a snag standing, destroy the ecosystems, and scald the soil in a way there is little to no recovery for a period of years and years. Those are not normal fires. They are abnormal fires, as a result of massive fuel buildup.

I was visiting with the Senator from New Mexico, Senator DOMENICI, about the fires in his State. One of those areas that was burned had been devastated by beetles. Better than 50 percent of the stand was dead. Yet, because of current law and because of certain interest groups, we were not allowed to go in and thin and clean and allow new growth to start. As a result of that, fire swept through there and destroyed the whole area.

S. 391, the bill that I have worked for over a year to craft, visiting with scientists, holding hearings, and making sure we build a strong bipartisan effort, better known as forest health legislation, the kind I want to mark up as soon as we get back here in early June and bring it to the floor for a debate, hopefully it can become law and become the public policy and a new management tool for our U.S. Forest Service.

It would allow the Forest Service to go in and look at these lands and under current environmental law assure they have the flexibility to go in and thin and remove brush and actually even use fire in a selective way, to assure that our forests can regain their health and regain their vitality in an environmental way and not be swept away and destroyed, as the forests we have seen under fire in the last few weeks throughout the Southwest. Of course, in the State of Colorado last week, when man got in the way of the fire, or man's dwellings, they, too, were swept away, as was true in the State of Idaho in 1994 when we saw wildfires, as a result of our forest health, that were beyond man's recognition.

So I hope when we come back, we can join the wisdom of the Spokesman-Review newspaper that editorialized yesterday in my area, in the inland West, saying that we ought to pass S. 395, we ought to make good public policy, and we ought to allow, once again, strong multiple-use environmental standards to return to our public forests and to the management of those public forests. So it is my wish we mark up S. 395 and move it to become public law.

I hope in early June we can have it here on the floor of the U.S. Senate for a good debate and passage.

I yield the remainder of my time.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, for the information of the Senate, as I understand it, I believe Senator DOMENICI would confirm, we have two amendments remaining, by Senator MCCAIN and Senator BYRD, and final passage. It seems possible to me, because I know some people are trying to catch planes, if we expedite this, we could be through voting by about 5:20 or something of that nature.

I ask unanimous consent the pending amendment be temporarily set aside so Senator BYRD may offer his amendment.

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

AMENDMENT NO. 4040

(Purpose: To improve our water and sewer systems, national parks and Everglades, to be offset by closing corporate loopholes and changes in tax expenditures)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. BINGAMAN, and Mr. LAUTENBERG, proposes an amendment numbered 4040.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, line 5, increase the amount by \$201,000,000.

On page 3, line 6, increase the amount by \$408,000,000.

On page 3, line 7, increase the amount by \$649,000,000.

On page 3, line 8, increase the amount by \$946,000,000.

On page 3, line 9, increase the amount by \$1,068,000,000.

On page 3, line 10, increase the amount by \$1,142,000,000.

On page 3, line 14, increase the amount by \$201,000,000.

On page 3, line 15, increase the amount by \$408,000,000.

On page 3, line 16, increase the amount by \$649,000,000.

On page 3, line 17, increase the amount by \$946,000,000.

On page 3, line 18, increase the amount by \$1,068,000,000.

On page 3, line 19, increase the amount by \$1,142,000,000.

On page 4, line 8, increase the amount by \$1,011,000,000.

On page 4, line 9, increase the amount by \$1,049,000,000.

On page 4, line 10, increase the amount by \$1,089,000,000.

On page 4, line 11, increase the amount by \$1,131,000,000.

On page 4, line 12, increase the amount by \$1,068,000,000.

On page 4, line 13, increase the amount by \$1,110,000,000.

On page 4, line 17, increase the amount by \$201,000,000.

On page 4, line 18, increase the amount by \$408,000,000.

On page 4, line 19, increase the amount by \$649,000,000.

On page 4, line 20, increase the amount by \$946,000,000.

On page 4, line 21, increase the amount by \$1,068,000,000.

On page 4, line 22, increase the amount by \$1,142,000,000.

On page 15, line 16, increase the amount by \$190,000,000.

On page 15, line 17, increase the amount by \$118,000,000.

On page 15, line 24, increase the amount by \$224,000,000.

On page 15, line 25, increase the amount by \$160,000,000.

On page 16, line 7, increase the amount by \$258,000,000.

On page 16, line 8, increase the amount by \$222,000,000.

On page 16, line 15, increase the amount by \$293,000,000.

On page 16, line 16, increase the amount by \$276,000,000.

On page 16, line 23, increase the amount by \$228,000,000.

On page 16, line 24, increase the amount by \$312,000,000.

On page 17, line 7, increase the amount by \$265,000,000.

On page 17, line 8, increase the amount by \$304,000,000.

On page 23, line 15, increase the amount by \$821,000,000.

On page 23, line 16, increase the amount by \$83,000,000.

On page 23, line 23, increase the amount by \$825,000,000.

On page 23, line 24, increase the amount by \$248,000,000.

On page 24, line 7, increase the amount by \$831,000,000.

On page 24, line 8, increase the amount by \$427,000,000.

On page 24, line 15, increase the amount by \$838,000,000.

On page 24, line 16, increase the amount by \$670,000,000.

On page 24, line 23, increase the amount by \$840,000,000.

On page 24, line 24, increase the amount by \$756,000,000.

On page 25, line 7, increase the amount by \$845,000,000.

On page 25, line 8, increase the amount by \$838,000,000.

On page 52, line 14, increase the amount by \$1,011,000,000.

On page 52, line 15, increase the amount by \$201,000,000.

On page 52, line 21, increase the amount by \$1,049,000,000.

On page 52, line 22, increase the amount by \$408,000,000.

On page 52, line 24, increase the amount by \$1,089,000,000.

On page 52, line 25, increase the amount by \$649,000,000.

On page 53, line 2, increase the amount by \$1,131,000,000.

On page 53, line 3, increase the amount by \$946,000,000.

On page 53, line 5, increase the amount by \$1,068,000,000.

On page 53, line 6, increase the amount by \$1,068,000,000.

On page 53, line 8, increase the amount by \$1,110,000,000.

On page 53, line 9, increase the amount by \$1,142,000,000.

Mr. BYRD. Mr. President, I voted for the amendment that Mr. DOMENICI offered earlier. It was a good amendment. But, unlike the Domenici amendment which scattershots funds for many popular programs, my amendment targets \$1.5 billion for the safe operation of our parks and \$5 billion for the cleanup of our water and construction of our sewer systems, which are being neglected and run down. Our water is dirty; our parks are rundown. This is a

disgrace. There is a \$25 billion backlog in clean water and sewer needs alone in this country, and the Domenici amendment does not answer this growing crisis.

Mr. President, this amendment to the budget resolution, which I offer on behalf of myself and Senators BINGAMAN and LAUTENBERG, will provide an additional \$5 billion for rural water and sewer programs and \$1.5 billion for our national park system. These funds are critically necessary to protect the most basic of services to America.

All across America, millions of residents in rural communities continue to suffer from inadequate water and sewer services. This need is a direct link to health, sanitation, and environmental problems in all States. This need must be addressed to provide economic vitality to these regions, to allow new job opportunities, increase the tax base, and improve the quality of life for millions of Americans.

Water and sewer loan programs have a proven track record because of their nearly zero-default rate, the best of all Federal loan programs. The grant portion of these programs allows impoverished communities and rural areas to provide their citizens the most basic of human services. These are services that most Americans take for granted every day.

A recent Federal study listed my own State of West Virginia among the five worst States in the Nation in terms of the availability of safe drinking water. There are some places in my State where the condition of the water supply is appalling, and where people are relying on water supplies from systems operating in violation of safe drinking water standards, or wells that have been contaminated. In certain West Virginia communities, on some days, tap water runs black, but families, with no other water source, are forced to bathe and launder in it.

As we approach the 21st Century, we must take steps to ensure that vast regions of our Nation will not be relegated to the living standards of a Third World Nation.

Mr. President, the estimate is that there are 3 million households in the United States in need of safe, clean drinking water. The estimated cost to provide this water is about \$10 billion. It is estimated that \$3.5 billion is necessary for drinking water needs deemed "critical", and the balance for "serious" requirements. At current levels, only approximately \$3.5 billion would be provided over the next six years toward providing clean drinking water for our people.

An equally pressing requirement, Mr. President, is the need to provide basic sewer facilities for small communities. Millions of Americans in rural areas and small communities live without adequate sewer infrastructure. The overall cost estimates to meet these needs exceed \$20 billion. At least \$7.3 billion should be provided over the next 6 years to meet some of the most criti-

cal needs. My amendment will not fund all of these backlogs, but it will help address the critical requirement for the most basic of amenities that each of us takes for granted every day.

The second part of this amendment provides an additional \$1.5 billion for day-to-day operations in our national parks. These funds will be used for the services Americans ought to be provided when they visit their national parks. Within the amount, \$400 million is for restoration of the Everglades ecosystem in South Florida. The need to protect the fragile and decaying resources of the Everglades has been supported in recent years by both sides of the aisle.

The National Park Service has been entrusted with responsibility for 368 different historic, cultural, scenic, natural resource, and recreation sites. These locations represent a mosaic of the most American of resources, from the historic sites of our country's birth—Independence Hall, Minute Man, Valley Forge, and Yorktown—to the celebration of our cultural heritage at places such as Aztec Ruins, Fort McHenry, and the Natchez Trace Parkway, to the scenic beauty and splendor of places like Yellowstone, the Grand Canyon, Big Bend, the Everglades, Crater Lake, Mount Rushmore, Acadia, and Redwood National Parks.

But the fate of these parks is dependent on providing the necessary resources to protect the parks—to serve the visitors; to maintain the buildings, roads, and campgrounds; and to house the employees who must live within the national parks. As dollars are frozen or reduced, the parks must still pay for increased costs for people, supplies, equipment, and other tools necessary to keep the parks open. Failure to provide the funding for these activities means fewer park rangers, deferred maintenance, closed facilities and trails, and possibly dangerous conditions for park visitors.

The start of the summer vacation season, is upon us. It is at this time of year that Americans load the family into the car and depart for a visit to the parks. Providing operating dollars for the National Park Service will help keep all sites open, and will contribute to a safer experience for all Americans.

What does it mean to have inadequate resources to maintain the facilities which support visitors to the parks? Let me provide an example—if the funding isn't available to pay the people who drive the trash trucks and clean the restrooms in the park campgrounds, trash and unsanitary conditions accumulate. Build-ups of trash can attract bears, which then create a safety hazard. The presence of a safety hazard would cause the Park Service to close the campground—thereby denying visitors the opportunity to camp in a park they might have driven 1,000 miles in order to visit.

In fiscal year 1996, Members from both sides of the aisle urged adequate funding for our national parks. If the

necessary allowances are not provided to address our park requirements, the Interior Appropriations Subcommittee will have little choice but to turn to other programs in order to find the resources necessary to protect our parks. This could mean reductions in programs such as low-income weatherization assistance, Forest Service timber sales, Smithsonian and other museum operations, payments in lieu of taxes, and operations of the Strategic Petroleum Reserve.

Mr. President, many Members of Congress have worked on behalf of their constituents to see that park facilities are well-maintained and taken care of properly. When water and sewer systems fail, they have sought money to fix the problem. When visitor facilities were necessary for new parks, the Appropriations Committee has provided the resources to build campgrounds, visitor centers, and rehabilitate historic buildings. But once the construction is over, and the ribbon-cutting ceremonies completed, there is still a need to operate these facilities on a day-to-day basis.

In order to pay for its increase in spending, my amendment provides for corresponding increases in revenues over the 6-year period of this budget resolution. These revenues can be attained by closing corporate loopholes and by changes in tax expenditures.

I encourage the support of Senators for my amendment. A vote against this amendment is a vote against the Statue of Liberty, Yellowstone, Independence Hall, the Grand Canyon, the Everglades, and all of the other 360 plus national park units. A vote against my amendment is a vote against the most basic amenities which a civilized country can provide for its people, clean, safe drinking water and adequate sewage facilities.

I urge the adoption of my amendment.

THE PRESIDING OFFICER. The time of the Senator has expired. There is time in opposition. The Senator from New Mexico.

MR. DOMENICI. Mr. President, relative to the budget resolution, the Byrd amendment would increase taxes and spending by \$6.5 billion. I remind everyone, there is nothing in the resolution which would cause a shutdown of the national parks. Our resolution assumes full funding for the parks, for rural water service, and for sewer programs.

In addition, might I say, even if you think you are voting for the specific targeted items, this money will go to the appropriations to be used by the Appropriations Committee where it sees fit. We already added \$5 billion in budget authority and \$4 billion in outlays. I think that is fair enough for today, and we ought to defeat this amendment.

THE PRESIDING OFFICER. The time of the Senator has expired.

MR. BYRD. Mr. President, I ask unanimous consent to have printed in the

RECORD certain newspaper articles, together with a breakdown of the Domenici amendment, which was at the table when we voted on that amendment. I voted for it, as I say. I would like to have a breakdown in there to show what those moneys will go for, purported.

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

PARKS OFFER MORE MUCK, LESS HELP—WEATHER, BUDGETS HIT NATIONAL SITES

Fallen trees are left piled by the sides of roads. Campgrounds are being closed. Beaches are full of debris and river muck. And there aren't as many lectures on how a geyser erupts.

Tight budgets are bringing hard times to America's national parks and recreational areas, and a severe winter and flooding in many parts of the country are making this spring even worse as park officials prepared for the summer vacation rush.

Some of the millions of visitors to the national parks this year may be in for a shock as they get reduced services or find fewer park rangers, reduced hours of operation or parks still cluttered with fallen trees and washed-out trails from winter storms and floods.

"Historically, we've cut the lawns every week and made the place trim and neat," said Bob Kirby, assistant superintendent of the Delaware Water Gap National Recreation Area in eastern Pennsylvania. "Today you see the grass in most places is a foot high. The picnic areas and playgrounds are completely, with one exception, filled with river flotsam, sticks and mud."

The park, along 45 miles of the Delaware River, attracts nearly 5 million visitors a year, many of them escaping the urban sprawl from New York to Philadelphia. While costs of operation have jumped 13 percent, the park's budget has stayed the same.

Federal officials and private watchdog groups say deterioration and money shortages are imperiling parks across the country as superintendents have had to make harsh choices on how to meet expenses. Often it means reducing the number of rangers and other workers.

"Everybody likes ribbon cutting. Nobody wants to fix the roof," said Roger Kennedy, director of the National Park Service.

This summer some of those problems will begin to have an impact on park visitors, whose numbers are expected to exceed 270 million this year.

"Visitors are going to find trails closed. They're going to find portions of parks closed, campgrounds closed," Kennedy said. "They're going to see signs that say 'Don't drink the water' in some places. They're going to find there are no ranger talks. The little things that make these places parklike."

Problems are everywhere.

At Yellowstone in Wyoming, tow museums have been closed. A shortage of park rangers means visitors are left largely on their own in the massive park's northern sector. Lectures at the Norris Geyser Basin Museum on how a geyser works are a thing of the past.

At Delaware Water Gap, workers are struggling to fix the damaged toilets inundated by floodwaters, and only a last-minute infusion of \$43,000 prevented the firing of the park's lifeguards.

To save money, 2 of the 10 campsites at the Great Smoky Mountains National Park in North Carolina and Tennessee won't open this summer. There are three seasonal rangers instead of 10, and 17 fewer maintenance workers.

Fewer rangers are at the Sequoia National Park in California, and the season has been shortened. At another great northern California park, Yosemite, and at many other parks and recreational areas around the country, trash won't be picked up or toilets cleaned as frequently.

"We can no longer do more with less," said Mike Finley, Yellowstone's superintendent. Each year, he complained, the park is expected to "absorb increasing costs and maintain the same levels of . . . services" for a growing number of visitors.

Similar sentiments are expressed daily by park officials and rangers across the country.

With Congress mindful of the parks' popularity, the National Park Service has avoided the deep budget cutting faced by some other Interior Department agencies. The park service received \$1.08 billion, about 1 percent more than last year, to operate its parks and will get an additional \$46 million for storm and flood damage repairs.

But park supporters maintain that more money is needed.

The budget "doesn't keep up with inflation," said Paul Pritchard, president of the National Parks and Conservation Association, a private watchdog group. "It's not one region. It's the whole national park system that is being neglected."

The association Tuesday released the findings of a poll it commissioned that showed the public by a 4-to-1 margin would not oppose increasing federal funding for operation of national parks.

Park superintendents have had to make tough choices. At most parks the number of seasonal workers—both rangers and maintenance workers—has had to be reduced. Many parks have cut back in garbage collection and toilet cleaning. Fewer park rangers are faced with a growing number of visitors and a wider array of law enforcement problems, leaving less time for tours and educational lectures.

"All the parks are struggling," said Elaine Sevy, National Park Service spokeswoman in Washington. She said more than 900 authorized jobs are unfilled throughout the system because there's no money to pay for them.

PARKS HIT IN THE POCKETBOOK

A sampling of conditions at national parks, monuments and recreational areas around the country:

Great Smoky Mountains in North Carolina-Tennessee—Two of 10 campsites and adjoining picnic areas are closed and won't open this summer. Both remote, they are the 92-site Look Rock Campground in Tennessee and the 46-site Balsam Mountain Campground in North Carolina. The number of seasonal maintenance workers has been cut from 65 to 48, the number of seasonal rangers from 10 to three. One of the three visitors centers has been turned over to a private group to operate. Cleanup from extensive winter storm damage has been postponed. Some will not be completed this summer, although \$1.4 million recently was allocated to the effort.

Yellowstone in Wyoming—The Norris Campground will be closed in the northern part of the park, eliminating 116 of 2,100 campsites. Two museums in the same area—Norris Geyser Basin Museum and the Museum of the National Park Rangers—are closed. Visitors can travel in the northern area but have neither tours nor ranger briefings available. Seasonal employees will work shorter schedules, and garbage collection is less frequent. A four-hour hike to the petrified forest on Specimen Ridge is being discontinued. A ban on overtime has delayed snowplowing, keeping some roads blocked later than normal.

Yosemite in California—A pothole-spotted road leading to Yosemite's Lower Pines Campground is unlikely to be repaired this year. Work to renovate restrooms and upgrade the park's amphitheater has been put off. Garbage collection and toilet cleaning have been cut back. Officials hope to repair flood damage that closed part of the park. Hours have been cut back for tours and at visitor centers. Fewer rangers patrol mountainous trails, but spokesman Scott Gedlman said essential services—law enforcement, clean drinking water, emergency medical aid—are being maintained.

Delaware Water Gap Recreation Area in Pennsylvania—The park has been hit by "a double whammy," said Bob Kirby, assistant superintendent—first the budget crunch, then severe floods that put under water much of the 40-mile stretch along the Delaware River in eastern Pennsylvania. Its budget wasn't increased, but the park's costs jumped 13 percent. Kirby said extensive storm damage to beaches and trails along the river must be repaired. Grass isn't being cut as often, and flooding left debris and mud on the beaches and inundated public restroom facilities and picnic areas.

Sequola in California—The tight budget means fewer park rangers and a shorter summer season. Park spokeswoman Malinee Crapsey said many of the recreational facilities may open a week later than usual. Rangers will conduct fewer tours. Park officials also are turning more toward private groups to help sponsor programs.

Cape Hatteras Seashore in North Carolina—Trash collection has been cut in half, but some slack has been taken up by private volunteer groups. Park spokesman Bob Woody said visitor services are being maintained, and the park has more educational programs than last year. But tourists trying to call the Hatteras ranger station near the famed striped Hatteras Lighthouse often have to talk to an answering machine because rangers are busy elsewhere.

Acadia in Maine—Eight or nine fewer summer employees are being hired, and fewer nature briefings and tours are being conducted by park rangers. But most visitors "will not notice any reduction in service," said Len Bobinchock, the park's deputy superintendent. "These programs are so popular, we've had to put a limit on the number of people who can participate anyway." Hours are not being changed.

Crater of the Moon in Idaho—Park officials say they haven't been hit very hard. The area features a broad swath of lava formations from old volcanoes, and some walking trails have buckled and need to be repaired. The monument is building a scenic motoring loop, and some areas may be closed by the construction.

IT'S A FACT: RURAL AMERICA STILL EXISTS

(By Larry Rader, Program Specialist)

[From West Virginia Rural Water Magazine—Spring 1996]

It was a dreary, rainy February day, the kind you only find at the bottom of a deep hollow and I was standing in mud up to my ankles looking at a dilapidated water treatment plant. I had been in this same scene a hundred times over the past ten years, but this time there was something different. I had company and a lot of it. Jim Anderson of RECD (I'm IIA to those of us who can't get used to the name change) had called me the previous week and requested that I take part in a fact finding tour of McDowell County, West Virginia on February 22, 1996. Jim is RECD's state project officer for Water 2000. The Water 2000 initiative is a combined effort of federal, state and local agencies committed to providing potable drinking to all

rural residents of the United States by the year 2000.

The McDowell fact finding tour was initiated by Senator Robert C. Byrd and planned by Bobby Lewis, State Director of RECD. Mr. Lewis is from McDowell county and rightly felt that this area of the state typifies many of the problems facing not only West Virginia, but rural areas across the country. Senator Byrd is also from a rural area of Raleigh County and realizes that the view from Washington sometimes becomes a little clearer when taken from the bottom of a hollow in the mud and rain. The tour consisted of both staff members and elected officials federal, state and local. Those who needed help and those who could provide it, all in the same hollow, same rain, same mud and same good spirits. It was an opportunity to reaffirm the existence of rural America and its needs. McDowell County PSD operates a mish-mash of twelve dilapidated systems abandoned by various coal companies over the years. System personnel must travel 120 miles each day just to check the small treatment plants. And forget water loss percentages! Just keeping water in the decaying lines is a triumph. It is a minute by minute struggle most of us could never envision.

Water quality and quantity in the old systems are inconsistent at best, however, right smack in the middle of this drinking water nightmare sets two water treatment facilities which would be the pride of any community. The new facilities at Coalwood and Caretta, both treatment and distribution, were designed by Stafford Consultants and completed in 1994. Almost overnight 350 households had access to something most people take for granted, a dependable supply of safe drinking water. Although the Coalwood and Caretta systems were funded primarily through RECD in the form of loans and grants, McDowell PSD has applied to ARC, AML, Small Cities Block Grants as well as RECD, all of whom were represented on that wet day in an attempt to upgrade the remaining 12 communities.

Rural people have always been willing to share in the cost of providing essential services. However, they must have access to agencies, both federal and state, which understand their problems and are sympathetic to the uniqueness of their situation.

Beginning in the 1950's RECD for instance, has provided over \$203,000,000 in low interest loans and grants to over 200 water and waste water systems statewide and is either wholly or partially responsible for most of the rural systems built in West Virginia since that time. But you occasionally need to remind other people that not only does the need still exist, so do the possibilities.

We are very proud that WVRWA was included in the February 22, 1996 Fact Finding Tour of McDowell County. We are always ready to plead the case for rural America and it gave me the opportunity to visit with people who can and do make a difference. As always, I am extremely proud of the people at McDowell PSD. Jeannie, Ralph, Bill, Randy, the other employees along with that PSD Board of Directors and the McDowell County Commission are proof that it can work in rural areas. Many of us never doubted it.

FACT FINDING TOUR MCDOWELL, COUNTY—
FEBRUARY 22, 1996 PARTICIPANT LIST

Bobby Lewis, State Director, RECD-WV.
John Romano, Assistant Administrator,
Rural Utilities Service, Washington, DC.

Galen Fountain, Minority Clerk, Subcommittee on Agriculture & Rural Development, Senate Appropriations Committee
Senator Dale Bumpers' (D-AK) Office, Washington, DC.

Ralph Goolsby, ARC Program Director,
WV Development Office, Charleston, WV.

Jim Anderson, Rural Development Coordinator, RECD WV.

Terri Smith Legislative Assistant, Senator Robert C. Byrd's Office, Washington, DC.
Dawn Dunning, AmeriCorp.

Sanjay Saxena, Program Coordinator, National Drinking Water Clearinghouse, Morgantown, WV.

STATE'S DRINKING WATER SUPPLY
WORSENING, STUDY SAYS

(By Julie R. Cryser)

It would take \$162.3 million to clean up and provide potable water to approximately 79,000 West Virginians, according to a study conducted by a federal agency.

It would take another \$405.7 million to meet the worsening, but not yet critical, drinking water supply situation of about 476,000 West Virginians.

And amid all of these problems, the federal government is cutting federal grants and loans for water projects. West Virginia will lose approximately \$5 million in loans and \$3.2 million in grants for water and sewer projects in 1996, according to Bobby Lewis, state director for Rural Economic and Community Development.

"The cuts overall are devastating to a state like West Virginia that has always been at the bottom of the list for funding for projects," Lewis said.

These figures come from the West Virginia Water 2000 assessment, part of the Clinton administration's high-priority Water 2000 initiative. The program is aimed at providing safe drinking water to the 1 million Americans without water piped directly into their homes.

Clay, Barbour, Boone, Fayette and Lincoln counties are ranked as the counties with the worst drinking-water problems in the state, Lewis said. Most of the problems stem from untreated water or people using wells that are semicontaminated or not treatable, he said.

The study was conducted by the U.S. Department of Agriculture and state and local government agencies. The West Virginia Rural Water Association and the Regional Planning and Development Council helped to develop a list of more than 200,000 households with water that is undrinkable.

"There are still people out there we didn't get on our list," Lewis said.

He estimates that at least half of West Virginians have water systems that pump out water that should not be consumed.

"Some places you can hardly bathe in it," he said.

Lewis said the study will help draw attention to deplorable water conditions in the state. The project could also help qualify some areas for USDA-funded projects under the Water 2000 project guidelines.

"There is a serious need for some type of assistance for these small communities in rural West Virginia," he said, "If you don't have water, you can't attract industry or people."

WHERE THE COMMONPLACE IS PRIZED—QUARTER OF WEST VIRGINIANS LACK ACCESS TO MUNICIPAL WATER

(By Michael Janofsky)

For nearly a century, most residents of this tumbledown mountain hamlet have been drawing their drinking water from a common well on a hillside just above the town's 70 houses.

Three years ago state officials found that the water was contaminated with pollutants, and issued an order to boil it before drinking.

Like most other people in Campbelltown, Carroll Barlow says it is high time that she and her neighbors are finally hooked up to

the municipal water system in Marlinton, less than a mile away. But neither the state nor the local governments can afford to pay for the pipes or the pumps to carry the water up the valley.

"I hope I live long enough to get safe water in this house," said Ms. Barlow, 55, who says she has to clean her sinks and toilet twice a day to deal with rust-colored stains that the water from the well leaves behind.

State officials say no medical problems can be traced to the water, but Ms. Barlow is not taking any chances. She uses the well water only for washing and buys drinking water in 69-cent gallon jugs at the Foodland grocery store in Marlinton.

From small communities like Campbelltown to isolated hollows with no names, access to reliable supplies of clean drinking water has long been a problem in West Virginia. The state's rugged geography, coupled with the endemic poverty of rural Appalachia, has strictly limited the ability of both local and state government to extend water lines everywhere. Neither the state nor the Federal Government is required to connect isolated residents to existing water systems, and, given the nation's tight-budget environment, money to build water or sewage systems to our spur economic development in rural areas is likely to become increasingly scarce.

"We just can't do everything," said W.D. Smith, a director of the Appalachian Regional Commission, a Federal agency that helps promote economic development but is a perennial target of budget-cutters in Congress.

Mr. Smith said that with so many communities seeking financing for new systems, only those that can demonstrate an unusually urgent need or immediate economic benefit will succeed.

"We've got a third-world situation here," he said. "I've seen human suffering, old people, people coming to me in tears. But I always have to ask them, 'What's so unusual about your situation?' It's not enough anymore just to say they don't have any water."

A recent study by the Agriculture Department concluded that more than a million people living in rural sections around the country, including large parts of the Mississippi Delta and areas along the Mexican border, did not have clean drinking water piped into their homes. But experts say no other state has so large a percentage of its population unserved by municipal systems as West Virginia. By the state's own estimate, almost a quarter of its 1.8 million people have no access to municipal water, and 40 percent are not served by public sewerage.

West Virginians who do not get municipal water rely mostly on wells; in places, a single well serves an entire community. Water drawn from these wells must in some cases be boiled or chemically treated to remove impurities like contaminants that seep into underground water reservoirs from abandoned coal mines. People living near active mines are especially vulnerable to pollution; even subtle shifts in rock formations can unloose new contaminants into the aquifers that supply well water, or even destroy the aquifers.

Despite Senator Robert C. Byrd's legendary ability to funnel Federal money home for West Virginia's highway system and other programs, officials say state agencies have only recently focused on water and sewerage needs to bolster economic development. Last year, voters approved a \$300 million bond issue for water and sewerage.

"More people are being served now," said Amy Swann, a division director at West Virginia's Public Service Commission. "But there will always be people who won't be served. It's just too expensive to spend \$1

million to construct a water line to hollows where 12 people live."

State officials say water problems exist in all 55 of West Virginia's counties but most acutely in the rugged eastern half of the state. Here, amid thick forests of maple, elm and oak trees, gurgling rivers and dazzling scenic overlooks, dozens of small communities, some with fewer than 100 residences, straddle narrow mountain roads that once served rich coal mines and timber fields.

The coal and timber industries are long past their peak, but many of the children and grandchildren of the workers remain, drawing from the same wells or roadside springs, some in use for more than 60 years. Most of the people are now too old, too poor or too proud to move.

In Marlinton itself, the latest problem is that officials do not have the \$3 million needed to carry water from the town's water plant to the new hospital, which was built on a hill to keep it high and dry above the flood-prone banks of the Greenbrier River.

For now, the hospital, scheduled to open this summer, will draw its water from the well that serves the local school, across the street. "We're struggling to find the funding," said Douglas Dunbrack, the Marlinton Mayor, who doubts that the well water supply will be adequate for the hospital, intended to serve some 9,000 people in eastern West Virginia. "We need a big-time grant, but there's just no money available."

WATER SUPPLY UNSAFE FOR MANY WEST VIRGINIANS

The U.S. Department of Agriculture (USDA), through its Rural Economic and Community Development (RECD) offices in West Virginia, has completed a four-month assessment of the state's most pressing safe drinking water system investment needs. The assessment is part of the Clinton administration's high priority Water 2000 initiative, which, according to RECD state Director Bobby Lewis, "aims to deliver safe drinking water to the estimated one million rural Americans currently living without water piped directly into their homes."

In a related development, the U.S. Congress recently sent to President Clinton a 1996 appropriations bill that produces a 30 percent funding cut below 1995 levels for safe drinking water and sanitary sewer project construction.

West Virginia's Water 2000 assessment results show that the state's rural towns have come a long way in solving their safe drinking water problems over the past quarter century, but still have a lot of gaps to fill. According to the results, the 50 West Virginia communities with the most pressing needs require a combined investment of \$162.3 million to serve approximately 79,000 people who now have serious drinking water quality or quantity problems. Additionally, some \$405.7 million will be required to meet the worsening but not yet critical drinking water supply situation of some 476,000 West Virginians in 443 communities.

The Water 2000 assessment was conducted by USDA's West Virginia-based personnel, together with state and local government agencies, and representatives of two non-profit organizations—the West Virginia Rural Water Association and the Regional Planning and Development councils.

Historically, the USDA's water and sewer loan and grant program has been the primary funding source for rural communities seeking to improve their public health, job development and fire protection situations by constructing and improving water and sewer systems. The USDA's Rural Utilities Service (RUS), as part of Water 2000, has begun to better target its loans and grants to

lower income, remote rural communities with the nation's most pressing drinking water quality and quantity problems. The USDA's water and sewer loan program, in its 55-year history, has loaned out \$14 billion, and lost only \$14 million—a loss rate of one-tenth of one percent.

Wally Beyer, Washington-based administrator of the RUS, said that West Virginia water and sewer projects received \$16.8 million in loans and \$10.5 million in grants in fiscal year (FY) 1995 from this federal source. Approximately 60 percent of those funds were invested in safe drinking water projects. According to Beyer, based on funding cuts recently approved by Congress and signed into law, West Virginia will lose approximately \$5 million in loans and \$3.2 million in grants for such projects in FY 1996, which started on October 1.

"These cuts will hurt rural West Virginia towns that need to invest in very basic community drinking water improvements for their residents," Beyer said. "At the level of funding the Congress has provided for 1996, it will take at least 14 years to solve West Virginia's most critical rural drinking water problems, and at least 35 years to make all of the improvements identified in the just-completed Water 2000 assessment."

RURAL WATER NEEDS TO BE ADDRESSED

A U.S. Department of Agriculture official will be in McDowell County today, examining rural drinking water needs, Sen. Robert C. Byrd's office reported.

John Romano, USDA assistant administrator for rural utilities service, will be joined in his tour by local leaders including Bobby Lewis, the USDA's state director for Rural Economic and Community Development.

"In follow-up to a recent study conducted by the USDA on the nation's water needs, which ranked West Virginia among the five states in greatest need of safe drinking water, I urged Agriculture Department officials to take a fact-finding trip to West Virginia," Byrd said in a prepared statement.

Byrd said current funding for the rural development portion of the USDA cannot keep up with the demand for safe drinking water, yet it is one of the programs suffering in the battle for a balanced federal budget.

"It is important for federal officials to understand the challenge we are certain to face if our nation continues to neglect our infrastructure investment deficit," Byrd said.

DOMENICI AMENDMENT

Increase non-defense discretionary spending limits in FY 1997 by: \$5 billion in budget authority, \$4.1 billion in outlays.

Changes (in millions) the following areas in FY 1997:

	Budget Authority	Outlays
Science, Space	200	100
Energy	900	200
Agriculture	300	200
Commerce and Housing	400	300
Transportation	1,500	700
Comm. and Reg. Dev	1,100	100
Services	1,700	800
Health	300	600
Medicare	200	200
Income Security	400	200
Net Interest	100	100
Allowances	-2,100	900
Total adds	5,000	4,100

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have not been ordered.

Mr. EXON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arizona [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 54, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—45

Akaka	Ford	Lieberman
Baucus	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihhan
Bradley	Heflin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Byrd	Johnston	Pryor
Conrad	Kennedy	Reid
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Simpson
Feingold	Leahy	Wellstone
Feinstein	Levin	Wyden

NAYS—54

Abraham	Faircloth	Mack
Ashcroft	Frist	McCain
Bennett	Gorton	McConnell
Biden	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Grassley	Pressler
Burns	Gregg	Robb
Campbell	Hatch	Roth
Chafee	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner

NOT VOTING—1

Bumpers

The amendment (No. 4040) was rejected.

Mr. LEAHY. Mr. President, I cannot support this budget resolution for 1997 fiscal year.

While I am encouraged that the majority was able to moderate their balanced budget plan from last year because of stronger economic estimates from the Congressional Budget Office, this budget resolution still falls short. It cuts Medicare and Medicaid more than is necessary to achieve a balanced budget. And it cuts education and environment funding while increasing defense spending—which is unacceptable in today's post-cold war world.

This Republican budget cuts Medicare by \$167 billion, \$50 billion more than the President's budget over the next 6 years. These cuts would reduce Medicare spending growth per-beneficiary far below projected private sector growth rates. I am disappointed that the majority persists in cutting a program that is vital to 83,000 Vermonters, 12 percent of whom live below the poverty level.

The Senate Republican budget resolution ignores the fact that it is not just Medicare costs that are rising. All health care costs are rising. And by just cutting Medicare—and Medicaid for that matter—a huge cost-shift of medical expenses will result and make sure that all Vermonters pay more for health care.

The Republican Medicare cuts are short sighted. Simply cutting Medicare does not make its problems go away. To reduce Medicare costs, we must reduce health care costs throughout the system, which can only be achieved by true health care reform. I look forward to sitting down at a table with Members from both sides of the aisle and hammering out a plan to deal with the issue of comprehensive health care reform. But in the meantime, simply cutting Medicare is not the answer.

This Republican budget includes \$72 billion in Medicaid cuts, \$18 billion more in cuts than the President's budget over the next 6 years. The resolution does not describe how these savings would be achieved, but it appears the Republicans still intend to block grant Medicaid. This will simply blow a hole in the safety net for our most neediest citizens.

This Republican budget also proposes capping the Federal direct student loan program at 20 percent of loan volume. Since schools participating in the direct loan program currently handle 40 percent of loan volume, many will be forced out of the program. The resolution only increases overall education funding by \$3 billion over a freeze baseline over the next 6 years—hardly an investment in the one of the Nation's most important resources.

Unfortunately, the majority refused to moderate its cuts in protecting the environment during debate on this resolution. Compared to the President, the Republican budget cuts overall funding for environment and natural resources programs by 16 percent in the year 2002. The Republicans cut National Park Service operations by 20 percent. Compared to President, the Republican budget cuts funding for EPA's enforcement and operations by 23 percent in the year 2002.

The people of the United States never voted to gut environmental spending in the last election. They overwhelmingly want to make sure Government provides basic safeguards for a clean environment. This is a job that Government can do and needs to do.

The environment will not take care of itself. We have to step up and be responsible about the future we pass to our children. We must not step back from the bipartisan commitments made in the past 25 years to protect our air, water, streams, and natural resources.

Moreover, this budget ignores corporate welfare. President Clinton proposed that \$40 billion be raised from corporate reforms and loophole closing legislation. But the majority has caved to special interests, and its budget re-

mains silent on corporate welfare. Closing tax loopholes should be part of any fair balanced budget plan.

Finally, the Republican plan includes \$17 billion in cuts to the earned income tax credit, which helps low-income working families stay off welfare and out of poverty. The President's budget proposes only \$5 million in reforms to cut down on earned income tax credit fraud.

This Federal tax increase will raise taxes in seven States that have a State earned income tax credit tied to the Federal credit, including my home State of Vermont. The resolution could raise both State and Federal taxes on 27,000 Vermont working families earning less than \$28,500 a year. It is very doubtful that the Vermont General Assembly can afford to increase the State earned income tax credit to make up this loss, with even more Federal cuts on the way.

At a time when many working Americans are struggling to make ends meet, the Senate Republican budget would hike Federal taxes on low and moderate-income working families. It would also raise some State taxes on these same working families. This is a double whammy on working families.

Mr. President, this budget resolution is better than last year's extreme budget, but it still cuts programs for elderly, young, and low-income Vermonters more than is necessary to balance the budget. We can do better than this budget.

Ms. MOSELEY-BRAUN. Mr. President, on April 23, 1996, the Senate, by a vote of 100 to 0, passed the Health Insurance Reform Act, a bill that will make health insurance more available to more Americans, end job lock, and end concerns regarding pre-existing conditions. That same bipartisan approach is what is needed now if this Senate is to do what the American people expect us to do—restore real, lasting discipline to the Federal budget.

In the last Congress, I served on the Bipartisan Commission on Entitlement and Tax Reform. The first finding in that Commission's interim report to the President, which was overwhelmingly endorsed by both the Democratic and Republican members of the Commission, stated:

To ensure that today's debt and spending commitments do not unfairly burden America's children, the Government must act now. A bipartisan coalition of Congress, led by the President, must resolve the long-term imbalance between the Government's entitlement promises and the funds it will have available to pay for them.

The Commission, however, did much more than simply make a rhetorical case for bi-partisan cooperation to address our budget problems. It also did extensive work to document the nature of the budget problem we face, because no consensus solution to our budget problems is possible unless there is first a consensus on what our real budget problems are.

The Commission laid out the kind of budget future we face, and the underly-

ing causes of our budget problems, in considerable detail. Perhaps the Commission's most important finding was that, unless we begin to act now, the portion of the gross domestic product of the United States consumed by the Federal Government will rise from approximately 21.4 percent of GDP in 1995 to over 37 percent of GDP by the year 2030.

Now, thinking about percentages of GDP is not very meaningful to most Americans. It might be useful, therefore, to think about what that figure might mean for the Federal Government and Federal deficits if we translate those percentages into the fiscal year 1995 Federal budget.

In fiscal 1995, the Federal Government spent approximately \$1.5 trillion dollars. If that year's budget took up 37 percent of GDP, as the Commission forecast for 2030, total fiscal year 1995 spending for the Federal Government would have been over \$1.15 trillion higher, or \$2.65 trillion. The Federal deficit would explode from the \$163 billion actually reported in fiscal 1995 to over \$1.3 trillion. The Federal deficit, under this scenario, would amount to almost 87 percent of the total amount the Federal Government actually spent in fiscal 1995.

Domestic discretionary spending would not account for a single penny of that increase; It would consume only \$252 billion of that theoretical budget, or approximately 11 percent of total Federal spending. Nor would defense spending account for any part of that increase. It would continue to account for only \$273 billion of the total \$2.65 trillion budget.

What would increase is interest on the national debt, which would more than triple from the \$232 billion the Federal Government actually spent on interest expense in fiscal 1995 to almost \$700 billion. Social Security would double from the roughly \$330 billion actually spent in fiscal 1995 to well over \$650 billion. Medicare would also double, from approximately \$150 billion to over \$310 billion. And Medicaid would double as well, going from \$90 billion to \$180 billion.

That kind of budget is impossible. The Federal Government could not sell the new Government bonds that would be necessary to support deficits of that size. Essentially, the Federal Government would have to declare bankruptcy long before the budget ever reached that point. The members of the Commission, of course, all knew that. But it was the Commission's judgment—one that I fully endorsed—that it was important to lay out the budget trends the Federal Government is facing, because only then can the President and Congress, working together, do something to change those trends.

The Commission's work, however, did much more than identify the trends, though. The Commission went on to clearly lay out the underlying causes for those trends—rising health care costs and the aging of the baby boomers.

The Commission found that Federal health care expenses rose by double digit rates in the late 1980's and early 1990's, and it forecast that total Federal health care expenses would triple to 11 percent of GDP by the year 2030, unless appropriate policy changes are made. Even more frighteningly, it found that total Federal health care expenses will at least double as a percentage of GDP even if health care cost inflation is brought under control.

Changes in the American population are even a more powerful engine, one that is driving overall Federal spending ever-higher. Americans are now living much longer than they did in 1935 when Social Security began. The average life expectancy was 61.4 years then. It is 75.8 years now, and it is projected to be 78.4 years by 2025. In 1935, the life expectancy of a person reaching the age of 65 was 12.6 years. Now it is 17.5 years, and by 2025, it will be 18.8 years.

These figures represent a real triumph for our American community. What they tell us is that the American system works. But these figures also help explain why that triumph is not cost-free. In 1990, there were almost five workers for each Social Security retiree; by the year 2030, there will be less than three. More and more people are drawing Social Security benefits, and drawing them for a longer period. More and more people are using Medicare and Medicaid, and using them for a longer period of time. And those facts mean higher costs.

These are the fundamental truths we must all face, Mr. President, if we really want to address our budget problems—if we really want to balance the budget in a way that makes sense and that will work. We have to decide together—on a bipartisan basis—what our priorities are, what we think Government can do and must do, and what we are willing to pay. The only way to make these decisions is to be honest with the American people about what the problems are, and about what various options for solution of these problems would entail.

I would like to be able to say that the resolution now before us is based on that kind of bipartisan approach to the budget issue. I would like to be able to say that it is based on the bipartisan analysis contained in the Commission's report. And I would like to say that it is an attempt to present the American people with a set of proposals that face the underlying budget trends and their causes, but I cannot.

The American people want bipartisanism in approaching our budget problems. Unfortunately, however, this budget is not a bipartisan budget. It does not reflect an agreement between Congress and the President, or even between the Democrats and Republicans here in the Senate. Instead, as the straight party line vote in the Budget Committee on this resolution demonstrated, it is instead based on the partisan approach to the budget that was so in evidence last year—an ap-

proach that gave us three Government shutdowns, 13 continuing resolutions funding the Government for as little as a day at a time, and, in the end, no real progress toward dealing with our most significant budget problems.

This is a large budget resolution, and it covers six fiscal years, but it is easy to tell it is not based on the Bipartisan Commission's analysis of our budget problems. This budget resolution, for example, obtains fully half of its deficit reduction from domestic discretionary spending.

Mandatory spending—principally Social Security, Medicare, Medicaid, federal retirement, and interest on the national debt—has risen from 32.4 percent of the total Federal budget in 1963 to 64.1 percent now, and it will account for fully 72 percent of the Federal budget in the year 2003. Domestic discretionary spending, on the other hand, has been shrinking as a percentage of the total Federal budget, and it has been generally stable as a percentage of GDP. It is not the primary source of our budget problem. At roughly 17 percent of the overall Federal budget, it certainly does not account for 50 percent of our budget problem.

Perhaps the most compelling way to demonstrate that fact is to go back to the Entitlement Commission's report. The Commission found that after the year 2012, even if every single domestic discretionary spending program is cut to zero, and even if the Defense Department's budget is cut to zero, the Federal Government would still run deficits every year thereafter, unless we act to address our core budget issues.

The American people do not want that to happen, Mr. President. They do not want the Federal Government to be without resources to address important national priorities like education and the environment. They know that Federal investment in education is a public good. They know that Federal investment in highways and mass transit and aviation safety is a public good. They know that Federal investment in health research is a public good. They know that Federal stewardship of our national parks, including such national treasures as Yellowstone and the Grand Canyon, represents a public good. And they know that Federal action to protect our environment and clean up our air, our water, and toxic waste sites is a public good.

When American communities experience floods, or hurricanes, or tornados or earthquakes, they want the Federal Government to be able to act. What they don't want is a situation where the Federal Government is unable to act because of our failure to address the Federal Government's budget problems. Yet, if deficit reduction efforts continue to focus in such a disproportionate way on this already shrinking of the Federal budget, while avoiding coming to grips with the real budget problems in the mandatory spending part of the budget, that will be the inevitable result.

Domestic discretionary spending is not the only area where this budget resolution falls short. In Medicare, it proposes reductions in spending that total \$167 billion, cuts that are, at the same time, too large and too small.

That may seem like a contradiction, but it's not. And the reason it is not goes back to the underlying forces driving up federal spending—health care inflation and demographics.

We need to sit down together on a bipartisan basis, and to work together to develop an approach to Medicare—and for that matter, Medicaid—that will actually reduce the Federal health care cost inflation rate. Then, based on what we believe we can actually achieve, we should include those savings in the budget resolution. This resolution does exactly the opposite. It sets an arbitrary amount of budget savings, and essentially caps Medicare spending, without knowing what those arbitrary caps will do to quality of care, access to care, affordability of care, or choice of provider. And while it does not increase direct costs to beneficiaries, it does assume major cuts in payments to hospitals and home health providers that serve beneficiaries, which will clearly have an impact on quality and access.

Moreover, the figures in the resolution are not based on any real analysis of how much health care inflation can be reduced, and how much time it will take to accomplish. Instead, the resolution is like an old Soviet 5-year plan—except it covers 6 years. It simply says this shall happen. Like the old Soviet 5-year plans, therefore, it has only the vaguest connection with economic—and in this case, health care—reality.

At the same time, however, the proposals assumed in the budget resolution do not in any way come to grips with the underlying demographic trends, which is why they are both too large and too small. They start at levels higher than can be justified based on reining in health care inflation, but they do not even attempt to begin to anticipate what needs to be done to handle the retirement of the baby boomer generation. We have to do better than that.

This resolution also contains a tax cut. It is a smaller tax cut than in last year's resolution, but it suffers from the same flaws. I am the first to agree that Americans ought to have more money in their pockets. More and more Americans are being priced out of the American dream. More and more Americans are losing their ability to purchase a home, a new car, or to provide a college education for their children. It is clear that more and more Americans are being priced out of the dream market. Between 1980 and 1995, for example:

the average price of a home increased from about \$76,000 to over \$150,000, an increase of more than 100 percent; the average price of a car went from about \$7,000 to about \$20,000, an increase of over 285 percent, and the number of weeks an American had to work to pay

for the average car increased from about 18 weeks to over 27 weeks, an increase of about 150 percent; and the cost of a year's tuition at a publicly supported college increased from \$635 to \$2,860, an increase of almost 450 percent, and a year's tuition at a private college increased from an average of \$3,498 to \$12,432, an increase of 355 percent.

These cost increases have continued into the 1990's, but income growth has not kept pace. Economic stagnation and rising income disparity are now facts of life. Just last month, for example, it was reported that Americans now have to work a record number of weeks—27, as I stated earlier—to purchase a new car. What that fact means, of course, is that more and more Americans are being pushed out of the new car market altogether.

Given these cost trends, Americans justifiably want to see higher take-home pay. Government can make an important contribution that can help Americans achieve that goal by helping to create a climate where productivity can increase, because increases in productivity lead to increases in wealth, and because in our country, it is private markets, and not Government fiat, that determines people's incomes.

Some people may assume that tax cuts automatically increase productivity, but it is worth remembering that, Federal taxes took are lower now than they were in 1969—one full percentage point of GDP lower. In 1969, the top Federal income tax rate was 77 percent; now it's 39 percent. Since 1969, the amount raised by Federal income tax on individuals has dropped by almost 11 percent, and the amount raised by the corporate income tax has been cut almost in half, as a percentage of GDP. Yet, the U.S. economy generally, and the standard of living of the average American, grew more quickly then.

The truth is that, if we want to increase national savings, and thereby help increase the pool of capital that is necessary to support productivity growth, the most efficient way to do that is to address our core budget problems, and not to cut taxes now. The most important reason not to do a tax cut now, however, has nothing to do with tax policy, national savings rates, or productivity. The most important reason not to do a tax cut now is that a tax cut sends a totally wrong message to the American people about the scope and extent of our budget problem.

A tax cut now is like President Johnson's guns and butter policy in the 1960's. It says that our budget problems are easy to solve, so easy that we can afford tax cuts while we balance the budget with one hand tied behind our backs. But that's not the case. We can continue to ignore the facts for a few more years if we want, but ignoring the truth will not make it go away. It will only make the day of reckoning that much worse.

It need not be so. While tough steps will be needed, and while serious costs are involved, if we work together on a bipartisan basis, if we think about the

long-term, and if we keep our focus on the priorities of the American people, we can address our budget problems in a way that will allow this great Nation to protect the retirement security of Americans—now and in the future. We can do so in a way that will allow the United States to meet the health care priorities of Americans—now and in the future. And we can do so in a way that retains resources for other essential investments—like education and the environment.

The budget resolution now before this Senate cannot accomplish these goals because it is not bipartisan and because it is not based on the budget realities we are facing. I urge my colleagues, therefore, to join me in voting to put this resolution aside. And much more importantly, I urge my colleagues to come together in a bipartisan way to begin the process of putting together the kind of budget the American people expect of us.

THE ARCTIC NATIONAL WILDLIFE REFUGE [ANWR]

Mr. BAUCUS. Mr. President, I would like to engage in a colloquy with the ranking member of the Budget Committee on the issue of ANWR?

Mr. EXON. Mr. President, I would be happy to.

Mr. BAUCUS. It has come to my attention that the Energy and Natural Resources Committee has been instructed to achieve close to \$1 billion in savings that are not highlighted as part of the mandatory assumptions section of the environment and natural resources function of the committee report on the budget resolution. Can the Senator from Nebraska confirm that this is true?

Mr. EXON. The Senator from Montana is correct. In fact, this billion dollars of savings amounts to almost 75 percent of the required savings the Energy and Natural Resources must produce in order to comply with the Republican budget resolution.

Mr. BAUCUS. It also has come to my attention that the latest CBO savings estimate for opening up the Arctic National Wildlife Refuge [ANWR] for oil drilling is just under \$1 billion. Does the Senator from Nebraska find it odd that there is no mention of ANWR in this year's budget resolution?

Mr. EXON. Yes, I do find that strange. The committee report for last year's budget resolution cited ANWR as the major mandatory savings assumption for the Energy and Natural Resources Committee. Indeed, it's inclusion in the final reconciliation bill was one of the major reasons why the President vetoed that bill.

Mr. BAUCUS. Mr. President, I would like to inquire of Senator EXON, is it fair for me to assume that in order for the Energy and Natural Resource Committee to meet its reconciliation instructions this year, the Republican majority is planning to include drilling in ANWR?

Mr. EXON. Yes, I do believe that the Senator from Montana is correct in making that assumption. The Energy

and Natural Resources Committee has a limited amount of mandatory programs under its jurisdiction to target for savings as part of a reconciliation bill. With the exception of privatizing the Power Marketing Administrations, a proposal that was soundly rejected during last year's debate, I might add with the Senator Montana's leadership. I can think of no other policy under their jurisdiction that could generate a \$1 billion in savings.

Mr. BAUCUS. Since this is indeed the case, I wonder why our friends on the Republican side were not willing to highlight their proposal to drill for oil in the Arctic Refuge as the leading assumption in their report, given the fact that it accounts for 75 percent of the savings for the Energy and Natural Resources Committee?

Mr. EXON. It might be due to the fact that a clear majority of the American people do not support opening up the Arctic National Wildlife Refuge for oil and gas exploration. It appears to me that the Republicans are trying to find a clever way to cover up all the damage their budget will do to the environment.

Senator BAUCUS. I believe that the Senator from Nebraska is correct. The American people, by a two to one margin, oppose opening up ANWR for oil and gas drilling. No wonder that proponents of drilling do not want to confront the issue head-on.

Our citizens understand, even if some members of this body may not, that leasing the Arctic National Wildlife Refuge risks serious harm to one of our national treasures. It squanders the natural resources that we should be leaving for future generations. And it is another example of public lands policies that favor special interests over the interests of ordinary families.

The irony is that we do not need to take these risks to ensure adequate supplies of energy. There are new oil fields being developed in the Gulf of Mexico right now, in very deep water, that can produce oil without the environmental disruptions that would surely accompany drilling in ANWR.

Last year, the Office of Management and Budget, hardly an environmentally zealous group, stated that:

Exploration and development activities would bring physical disturbances to the area, unacceptable risks of oil spills and pollution, and long-term effects that would harm wildlife for decades.

That is not the kind of legacy we should be leaving for our children. Yet that is what could well be in store for this country if the reconciliation instructions in this budget are carried out as the Senator from Nebraska has indicated. I thank the Senator for his observations.

WELLSTONE EDUCATION TAX DEDUCTION
AMENDMENT

Mr. BAUCUS. Mr. President, I voted for the amendment of my colleague from Minnesota because I support providing a tax deduction to parents to

help defray the costs of a higher education for their kids. Senator WELLSTONE's amendment would also permit taxpayers who pursue additional education to deduct all or a portion of the related costs. This is important for taxpayers who lose their job and need additional skills to get reemployed or who want to advance to a higher paying job. In fact, Mr. President, I introduced S. 1312 earlier this year to provide a \$5,000 deduction for higher education costs.

I do have one concern with Senator WELLSTONE's amendment. The only tax cuts permitted under its language are a child tax credit and the deduction for higher education costs. There are a number of other tax cuts that merit consideration Mr. President, and I hope we can get to them this year. For example, an increase in section 179 expensing for small businesses, expansion of IRA's to encourage savings, and estate and gift tax relief for family-owned businesses.

I look forward to working with my distinguished colleague from Minnesota on the child tax credit and the higher education deduction as well as a number of other tax cuts that will benefit taxpayers in Minnesota and Montana as well as the entire Nation.

KYL AMENDMENT REQUIRING A SUPERMAJORITY TO RAISE TAXES

Mr. BAUCUS. Mr. President, the Sense of the Senate amendment of my colleague from Arizona notes that the current tax system is overly complex and burdensome and that action must be taken to produce a tax system that is fairer, flatter and simpler. I couldn't agree more and I look forward to working with him and the rest of my colleagues to reform a tax system that is badly in need of repair.

I was unable however, Mr. President, to vote for Senator Kyl's amendment because of the provision requiring a supermajority vote to raise taxes. Ironically, I believe this proposal could impeded meaningful tax reform. It could have the effect of locking in existing loopholes unless those of us who want real tax reform could muster a supermajority. Congress may ultimately determine that in fact more than a simple majority of its members should be required to increase taxes. However, a number of questions need to be addressed before we take such action.

What is a supermajority? Two thirds of the members, or perhaps three-fourths?

Can the supermajority requirement be waived in the event of a national emergency? How would we define a national emergency?

And how do we define what it means to "raise" taxes? Does closing a corporate loophole—which would increase the taxes paid by the companies benefiting from the loophole—require a supermajority? If it does, Congress will be hard pressed to close corporate loopholes.

I do agree with the language in my distinguished colleague's amendment

calling for tax reform, and I may agree in time with the need for a "super-majority" before taxes can be "raised," but cannot at this time vote for his amendment calling for that supermajority.

Mr. FEINGOLD. Mr. President, the debate surrounding this year's budget resolution is tame compared to the debate we heard last year at this time. But we should not be lulled by this relative quiet. This year's model is not much different from the one produced last year.

In one key regard, it may be worse.

The warnings many of us made last year have come true. Rather than focusing on eliminating the deficit and finally balancing the Federal budget, this year's budget resolution has one overarching goal, namely to provide an election year tax cut.

Mr. President, on this issue, the hands of both parties are dirty. Republicans and Democrats both have engaged in this tax cut bidding war. Even the so-called bipartisan budget proposal revolves around a \$130 billion tax cut.

Mr. President, we have lost a real opportunity.

After the debate of the last year, one might have thought that we had reached a consensus that balancing the Federal budget was our most important task. The negotiations that took place between the Republican Congressional leadership and the White House appeared to be moving the parties closer together. Each side had agreed to similar ground rules and a timetable for a balanced budget; each side had offered a budget plan that actually reached balance.

Sadly, negotiations broke off, and there was no agreement reached on a plan to balance the budget.

Mr. President, a central reason for the failure of those negotiations was that the shared goal of deficit reduction was weighed down with other competing agendas—the structure of Medicare, whether Medicaid should be a block grant, welfare reform, and the amount and structure of the tax cut. All of a sudden, it wasn't enough to balance the budget. Eliminating the deficit took a back seat to those other priorities.

Mr. President, of course these other matters have an impact on our ability to achieve and maintain a balanced budget. I support reforms to Medicare and Medicaid not only for their own sake but for the very reason that such reforms are needed if we are to achieve a balanced budget.

But we cannot afford to divert our attention from what must be the immediate business of Congress—balancing the budget.

Of all the distractions, Mr. President, by far the most dangerous is the promise of a major tax cut. It is already difficult to get agreement on the spending cuts needed to eliminate the deficit. The work of balancing the budget is not pleasant, and it is all too easy to find excuses not to do that work.

Proposals to cut taxes make it even more difficult to stay focused on that unpleasant but necessary task. How much easier it is to speak about how one might cut taxes, and by how much.

Mr. President, as I noted earlier in this debate, we are now obsessed with enacting tax cuts, no matter what the cost to the integrity of the budget. Every time you turn around you bump into another proposal for some tax cut. Some come clothed as tax reform, such as the so-called flat tax. Others are less subtle. The Wall Street Journal recently reported that a "trendier" tax cut plan is a 15 percent across-the-board cut in income tax rates, phased in over 3 years. And I have no doubt that the nominees of both parties will each have their own tax cut plan to tout this summer.

We've just spent 2 weeks debating the issue of a 4.3 cent gas tax cut, and the other body has sent us a 1.7 billion dollar special adoption tax credit and is working on another 7 billion dollar tax cut for small businesses.

Everyone is eager to float a tax cut plan. Mr. President, would that they were equally as eager to offer plans to cut spending and balance the budget.

This budget resolution aids and abets this fiscally reckless and irresponsible agenda. Its structure of consecutive reconciliation bills, finishing with a tax cut extravaganza just a few weeks before the election, is a guarantee that it cannot hope to lead to a balanced budget, only political posturing.

The budget resolution has other flaws as well. The Medicare and Medicaid programs are underfunded, the direct result of the need to fund the tax cut and to add even more funding to a Defense Department that instead should be asked for significantly more cuts. And as with last year's budget resolution, there is no effort to limit some of the corporate welfare that responsible members of both parties have identified as a top priority for cutting.

Mr. President, I suspect that some of this year's budget resolution is the result of the special political dynamics of presidential election year politics. If that is the case, I earnestly hope that once that election is behind us, both parties will seize the opportunity and reach out for a bipartisan plan to balance the budget. I am confident that a majority of the Senate and the other body would support such a plan.

Until that time, Mr. President, I will continue working with members from both sides of the aisle to identify areas where we can find savings that will move us closer to completely eliminating our Federal budget deficit.

Mr. EXON. Mr. President, as we conclude debate, I cannot help but be struck by the futility of this Republican budget. It is a tragic repeat of last year's Republican budget fiasco. It is a fool's errand twice over.

A year ago, many of us stood on the Senate floor imploring our Republican colleagues to temper their harsh views and to join with us to create a bipartisan balanced budget. We predicted a

train wreck otherwise. We got not one, but two train wrecks, including the longest Federal Government shutdown in the history of our Nation.

We will soon vote on this so-called new Republican budget. But no one should be fooled as to its novelty. It is at best a hybrid of the old Republican budget grafted onto some slick parliamentary procedures. It will spin out not one, but three, reconciliation bills, because the Republican Majority wants to create a web of budgetary intrigue in which to trap the President. They want to amplify partisan confrontation over the summer and into the fall elections.

Some call this the silly season. It would be silly, if it were not so sad for our Nation.

Once again, the congressional majority is squandering an opportunity to balance the budget. Last year, all the Republicans wanted was for President Clinton to submit a 7-year, CBO-certified, balanced budget. President Clinton delivered with a fair and reasonable balanced budget. But no, the Republicans claimed that it was not good enough for them—even though it was good enough for the Republican-selected CBO Director.

Perhaps this debate did serve one larger purpose. With amendments from this side of the aisle, the American people could see that there is another vision for the future of our Nation. There is a way to balance the budget, but without jeopardizing quality health care for our seniors, without fouling the environment, without limiting the learning horizons of our children. But on this floor, the American people saw the Republican majority oppose moderation time and time again.

It has been said that the definition of insanity is doing the same thing over and over again and expecting a different result. This budget would be insane, except that no one expects a different result. This is a senseless repetition of a failed budget. Because of its extremism, it deserves to fail. I urge my colleagues to reject it once again.

Mr. BINGAMAN. Mr. President, I intend to vote against the Republican Federal budget proposal. This budget is nearly the same as the one proposed last year by Republicans, and I feel that the interests of the Nation continue to be poorly served by the guidelines specified in this sort of ideologically driven legislation.

Both last year's Republican budget proposal and the one we are voting on today represent a misguided set of priorities for the next century by cutting resources for education, job training, the environment, and Medicaid in order to pay for tax breaks for the wealthy and unneeded defense programs.

Over 7 years, the Republican proposal slashes Medicare by \$226.8 billion, a number only slightly different from their proposal last year to cut Medicare by \$228.2 billion. Reductions in the earned income tax credit will result in increasing taxes on lower income work-

ing families by \$21 billion over 7 years, compared to the \$20-billion tax increase proposed last year.

I am also very concerned about proposals in this legislation that would allow States to make significant cuts in their own contributions to Medicaid in the rules governing block grants from the Federal to State governments. These policies threaten guarantees of coverage for children, people with disabilities, and older Americans. This series of proposals represents an alarming trend away from providing the most rudimentary safety net for those in need toward further enriching those who are the most prosperous in our country.

The President's budget proposal as well as a centrist alternative budget crafted primarily by Senators BREAUX and CHAFEE do a far better job of balancing the needs of the most disadvantaged in our society with the objective of reaching a balanced budget by 2002. The President's budget secures the integrity of the Medicare trust fund through 2005, and it does so without ravaging this important program. In contrast, the Republican budget cuts Medicare by \$50 billion more than the President's plan.

Education and job training—Head Start, Basic Education Assistance—title 1—School-to-Work, and Job Training for Dislocated Workers—remain high priorities of our Government, as they should be, in the President's budget. In contrast, the Republicans slash more than \$60 billion from these programs.

The President does not raise taxes on low-income working Americans. In contrast, the Republicans, by cutting EITC by \$21 billion over the next 7 years, intend to raise taxes for between 6 to 10 million Americans.

I think it is possible to balance the budget by 2002 without abandoning America's priorities—and without abandoning those most in need. We can clearly preserve paycheck security, health security and retirement security for America's working families without abandoning our commitment to a balanced budget.

Mr. President, I must also add that I am impressed with the efforts of Senator JOHN BREAUX and Senator JOHN CHAFEE in leading the way on yet another alternative budget to that proposed by the Republican majority. This 7-year bipartisan alternative budget proposal, which I have voted to support, is a conscientious, bipartisan effort that does a much better job of maintaining the right priorities for our country. I do have concerns about whether cutting the CPI by ½ percent is the best approach to dealing with the question of getting a better, more accurate inflation indicator, and I think that any adjustment in our cost growth measure must be progressive in its application.

While the Breaux-Chafee alternative does not contain everything I would want in a budget, the process of bring-

ing both Democrats and Republicans together to seriously confront the problem of achieving a fair yet balanced budget is much better than what we ended up with—namely, the Republicans trying to force the same old budget down our throats.

Mrs. MURRAY. Mr. President, I rise today to express my opposition to the Republican budget resolution for fiscal year 1997. Quite simply, this budget resolution does not reflect the priorities and values held by most Americans—the belief that we need to ensure our quality of life, educate our children, and care for our elderly and disabled.

I regret that this vote will not be bipartisan, because I believe we have made great progress over the past year. Unfortunately, this Republican budget falls short. It fails to meet us halfway, and it proposes deep cuts in Medicare, education, Medicaid, and the environment while increasing defense spending. These cuts are not necessary to balance the budget; rather, they are punitive and unwise.

Mr. President, when discussing the budget, we must step back and look at where we were just a year ago. A year ago, the President's budget was not balanced and the Republican budget called for even deeper cuts in important programs—cuts as big as \$250 billion out of Medicare. Since that time, however, the President has submitted a CBO-certified balanced-budget that includes modest, but realistic, cuts in Medicare and Medicaid. And Republicans have acknowledged the need to increase funding for Medicare, education, the environment, Cops on the Street and Americorps.

A year ago, I was opposed to cutting back Medicaid because it provides health care for our poorest children and it ensures quality nursing home standards for our parents. After working with health care experts in Washington State, I concluded my home State could still serve our most vulnerable populations as long as we don't have drastic cuts to Medicaid. I'm willing to concede that point, and I know now that if we all give a little, we can reach compromise. But Republican cuts still go too far.

Republican Medicaid cuts appear to be shrinking, but, unfortunately you are not seeing the whole story. The \$72 billion cut mentioned in the bill, by itself, would force changes in eligibility and services for Americans on Medicaid. But in addition, this bill would allow States to walk away from paying their fair share in this successful State and Federal partnership. Between State and Federal share reductions, over \$250 billion would be cut from health care coverage for poor and working families.

The majority party contends their Medicaid provisions would be endorsed by the National Governor's Association. They would not. Among other problems, this bill is a block grant, with no way for States to be reimbursed for extra costs resulting from

natural disaster or economic downturn. Even if there were no problems, and there are many, I could not support these cuts. States need flexibility, and the types of flexibility sought by my State are reasonable. But we in Congress are here to assure that every child in this country can get basic health services, no matter which State they live in.

On welfare, Republicans cut \$53 billion and removes the guarantee to public assistance, but they are not very clear about where the money comes from. We can only assume they will do the same as last year—deep cuts in food aid and nutrition programs. I am interested in real welfare reform—reform that gives people alternatives and assistance to move people off of public assistance in a way that allows them to support themselves. This Republican budget is an attack on poor families, and I cannot support it.

Mr. President, let us remember exactly where we are on this road to ending the deficit. Since 1993, we have made great progress toward reducing this Nation's deficit. CBO estimates the 1996 deficit will fall to \$130 billion—the fourth straight year the deficit has declined. We have cut the budget deficit in half in less than 4 years, and today's annual deficit stands as the lowest percentage of our gross domestic product since 1980. I'm proud of this fact. I am proud to have been involved in crafting the budget package of 1993. That deficit reduction package has us on the right track.

Our need to do more, however, spawned a bipartisan group of Senators, who have come together and formulated a well-reasoned, well-balanced budget proposal. I commend Senators CHAFEE and BREAUX for their leadership and hard work on this matter. I voted for their budget alternative because it is exactly the kind of bipartisan teamwork Congress needs to see more of. Certainly, I would like to see less savings come out of discretionary accounts that include education, job training, trade promotion, and the environment. And the tax cuts may be too generous. The Chafee-Breaux plan may not be perfect, but I believe it is probably the most realistic compromise one could craft. I am hopeful this Centrist plan will become the framework for future budget negotiations.

Mr. President, this past year has taught us we can reach a balanced budget. We learned we can formulate a budget that uses common sense and reflects America's values and priorities. That is why Senator KERRY and I offered an amendment to restore education and job training funds in the Republican budget. As my colleagues know, this amendment failed despite the fact that the Republican budget will cut education spending 20 percent from current levels.

Americans understand how important education and job training investments are for our children, and the fu-

ture success of this Nation. A recent USA Today poll found that education has become the most important issue for Americans—ranking above crime, the economy and the quality of one's job.

As a former teacher, mother, and PTA member, I know from personal experience the value and importance of Head Start, vocational education and education, technology programs. I have seen these programs work, and I have seen the satisfaction on the faces of children who are finally getting a chance to excel and succeed.

And, Mr. President, this Republican budget takes a serious step backwards in our efforts to preserve our environment and ensure our quality of life. Unfortunately, the Senate rejected several amendments that would have softened this budget's impact on the environment. First, I oppose a change in the way sales of Federal assets are treated in this resolution. For the last decade, Congress has recognized that our public lands and other Federal assets were too precious to sell or lease unless Congress or the administration decided that so doing was in the best interest of the public. That is good policy and one that traditionally has enjoyed strong bi-partisan support. I co-sponsored the Bumpers-Bradley amendment which would have preserved our national heritage for generations to come, and would have rejected this approach to the disposition of our Federal assets.

I also supported the amendment offered by Senators LAUTENBERG and KERRY that would have increased funding by \$7.3 billion over 6 years for Function 300, which funds the National Park Service, the Environmental Protection Agency and other environmental programs. This amendment would have restored balance to the budget. It would have provided a stable, strong level of funding to protect our national treasures and clean up our environment.

Senator WYDEN's Sense of the Senate amendment would have eliminated tax deductions for fines, penalties, and damages arising from a failure to comply with Federal and State environmental or health protection laws. That common sense approach to balancing the budget would have raised up to \$100 million annually. The amendment provided an excellent opportunity to express our support for law-abiding companies who do not break environmental and safety laws by closing a tax loophole enjoyed by those who do break our laws.

Mr. President, last year's budget debate was painful for all of us. It was especially painful for our constituents—our hard-working friends and neighbors. They didn't know why the budget debate forced the Government to shut down twice—one time for three straight weeks. They didn't see that as progress. Instead, they saw it as just another example of what is wrong with Congress and the Government today.

It is my hope this year's budget and appropriations process will be more orderly. It is my hope the American people will not be used as pawns during our budget negotiations. And it is my hope that my colleagues will remember the budget debate requires compromise if we hope to really serve the people. In the end last year, we learned our Government is truly a democracy. We learned any successful budget agreement will need to be as broad and bi-partisan as possible.

We have a lot of work to do if we are going to reach a balanced budget. But the truth of the matter is that both parties have agreed to enough savings that we could balance the budget today if we really want to. When considering the entire budget, the difference between the two parties amounts to less than 1 percent of the Federal Government's spending. A balanced budget plan is possible. All we need is the courage to find compromise.

I look forward to working with my colleagues on the Appropriations and Budget Committees in order to make sure this Congress' spending priorities are balanced and in line with our constituents' wishes. Unfortunately, today's budget resolution fails to strike a balance. It's simply a replay of last year's failed Republican budget. And I will be fighting to make sure this Congress does not lose sight of what is truly important to our friends and families.

Mr. KERRY. Mr. President, let me make a simple observation on the Republican budget resolution before the Senate: it does not reflect the priorities of the American people. For that reason, I will oppose this budget.

Mr. President, as you know, I attempted throughout the past several days to amend this Republican budget so it meets the needs of working Americans. I attempted to ensure that the violent crime reduction trust fund will be fully funded and that sufficient funds will be allocated to the community policing initiative. But this amendment was rejected along party lines.

I tried to add back some of the cuts the Republicans have made to environmental protection and conservation efforts. But the amendment was rejected along party lines. I attempted to add back funds for education that the Republicans cut from the budget—the largest education cut in history. But the amendment was rejected along party lines.

Time and again, the Republican party moved in lockstep to prevent us from providing services that the American people urgently need.

The President of the United States has proposed a budget that balances in 6 years. It protects the environment. It secures our neighborhoods by putting more cops on the beat. It gives assistance to families trying to care for elderly parents and educate their children. I voted for that budget, Mr. President.

The President's budget continues the sound economic and fiscal policy put in place in 1993 which has halved the deficit, kept interest rates and inflation low and created more than 8 million jobs. This is the right way to balance the budget.

The Republicans' budget continues the smoke-and-mirror gimmicks vetoed by the President and rejected by the American people. It slashes Medicare, cripples education programs and opens tax loopholes for big corporations. This is the wrong way.

Mr. President, let me give you an example of why I am wary of the budget the Republicans have presented this year despite all the pleas that they have learned their lesson and corrected their past mistakes. Last year, the Senate voted that 90 percent of any tax cut should go to people making less than \$100,000 per year. Yet, the Republican budget, which the President wisely vetoed, devoted almost 48 percent of the tax cuts to people earning more than \$100,000. So, Mr. President, here we go again. My parents taught me an old saying which guides me in my decision to reject the Republican plan before us: "once bitten, twice shy." The Republican plan—then as now—raises Medicare premiums on our seniors, makes our environment vulnerable to the whims of polluters, denies Medicaid coverage to veterans who would have been ineligible for VA medical care, and prevents children of many middle income Americans from getting a loan to go to college.

That is the wrong set of priorities for our Nation, for our economy and for hard-working American families, Mr. President. I reject this budget as I rejected the Republican plan last year, as the President rejected the Republican plan last year, and as the American people rejected the Republican plan last year.

I hope my colleagues oppose the Republican plan.

I yield the floor.

Mr. GLENN. Mr. President, I rise today in opposition to Senate Concurrent Resolution 57, the concurrent resolution on the budget for fiscal year 1997. While I support the committee's efforts to balance the budget, I cannot agree with the means by which that balance is achieved.

It is ironic that the committee's proposed budget resolution appears to soften the hard edge of many of the funding cuts proposed in last year's vetoed reconciliation legislation. The committee recognized the need to make the cuts look less draconian, yet, cuts similar to those from last year's failed attempt remain.

The committee's budget resolution merely pays lipservice to the fact that it could not garner the support it needed to succeed last year, because it tries to include similar cuts by disguising them in a 6-year rather than a 7-year program, by rescoring the cuts to make them look smaller, and, in the instance of Medicaid, by reformulating the way

the cut is made so that the true cut can be made at the State level rather than at the Federal level.

I guess we are to chalk it up to election year politics, but the budget resolution before us asks us to ignore our experience last year when we witnessed the so-called train wreck that caused the Government to shut down twice.

And, we are to ignore the progress, albeit, limited in some areas, made in negotiations between the congressional leadership and the White House. This budget resolution, in many instances, marks a disavowal of the last offer made in January by the majority in the ongoing budget negotiations. Instead, particularly in the case of welfare and other nondefense discretionary spending, we are asked to support a return to the kinds of funding decisions that closed the Government twice last year.

When you make an apples-to-apples comparison with last year's failed welfare measure, the combined cuts to welfare programs, like aid to families with dependent children, supplemental security income and food stamps, are essentially the same.

The cuts in nondefense discretionary funding are deeper than the January offer made to the President but not quite as deep as the vetoed reconciliation bill. However, since the House adopted the deepest cuts yet proposed in nondefense discretionary funding, it seems an almost certainty that we are headed back to the levels contemplated in last year's failed reconciliation bill when we get to conference.

The Republican budget continues its attack on education and training. The budget resolution caps the direct student loan program at 20 percent and, to use the majority's convenient euphemism, it freezes funding for Pell grants work study programs. Further, the budget resolution terminates funding for the AmericaCorps National Service Program.

Mr. President, these changes to higher education would continue the majority's efforts to make it harder for working families and their children to finance a college education. If these proposed cuts and changes are to become law, many students will see the doors closed to the opportunities and choices a college education can open up for them. Other students and their families will see their options for financing an education narrowed. OMB estimates that the student loan cap would eliminate 1,100 schools and 1.6 million students from participation, just in the upcoming academic year. When extended over the life of the budget program, this cap would deny direct lending opportunities to 7 million borrowers.

Mr. President, that's not what this country stands for. We must ensure that working middle-income families will be able to afford to provide higher educational opportunities to their children.

The Republican budget again proposes to cut all funding for the first

major new education reform bill passed by Congress in the past two decades. Goals 2000 is a comprehensive national attempt to help our schools achieve their goals of producing informed citizens and a skilled, competitive work force for the future. I believe it is extremely shortsighted for the Republicans to continue to propose eliminating this important program.

The budget resolution freezes funding—again, there's that euphemism for what amounts to a cut—for Head Start and chapter 1, the most successful programs designed to get our children ready for school and for teaching basic skills, hampering our efforts to reform public education in this country. I cannot support these proposals which will scale back our commitment to public education in this country.

In another critical area in nondefense discretionary funding, Mr. President, the budget resolution uses funding cuts to weaken environmental protection and to decrease the Government's ability to improve public health and safety.

While targeting environmental programs for particularly harsh cuts, this budget resolution also effectively makes policy changes that should be enacted through regular legislative means. This measure assumes revenues from opening the Arctic National Wildlife Refuge for oil exploration and development. The Coastal Plain of this wildlife refuge is one of our few remaining ecological treasures, containing 18 major rivers, and providing a habitat for 36 species of land mammals and over 30 fish species. The wilderness and environmental values of this area are irreplaceable. The environmental values of this area are far greater than any short-term economic gain from oil and gas development.

Unfortunately, Mr. President, these are the kinds of tradeoffs, taking away educational opportunities at all levels, from preschool through postsecondary education, gutting environmental programs, and ruining ecological treasures, all in order to make a politically expedient tax cut and, as we'll see when we move to the defense authorization bill, to waste billions of dollars in the defense accounts on programs we don't need. I can't agree to this, Mr. President. But, sadly, this is just the tip of the iceberg.

Let's take a look at the proposed cut to the earned income tax credit, a tax credit designed to assist low-income working families stay off the welfare rolls. It's true that the proposed cut is less than last year's failed reconciliation package, but it is significantly deeper than that proposed by the majority in January during the budget negotiations. Moreover, it is almost twice as large as the cut proposed by the National Governor's Association. And, curiously, it seems to be at odds with a proposal made during the minimum wage debate in the House that the earned income tax credit should be expanded as an alternative to raising the

minimum wage. The majority party says it is offering a tax cut. With the proposed cuts in the earned income tax credit, never mind the advertised tax cut, the best some working families can hope for is that their taxes won't go up.

A similar sleight of hand occurs with respect to Medicaid. The amount of Federal funding proposed to be cut is less than the latest budget offer made in January. The hitch is, the budget resolution changes the contribution that States are required to make. This change allows 80 percent of the cuts proposed last year to be made.

Moreover, not only does the budget resolution cut Federal Medicaid payments to the States by \$72 billion, it does not specify how the cuts would be made. I assume that the Republicans still support block granting Medicaid funds. I am opposed to this proposal because of the adverse impact it would have on children in low-income families, the disabled, and the elderly who require nursing home care.

When you get to Medicare, again, you have to pay attention to the fine print. The size of the cut, \$168 billion, is the same as that proposed in the last offer but the difference here is the cut is taken in a shorter period of time, over a 6-year program rather than a 7-year program. So, the majority again greatly reduces Medicare funding for the elderly in order to provide a tax cut for wealthy Americans. The budget resolution's reduction of \$168 billion in Medicare means that the growth in spending per beneficiary will be less than the projected growth in spending in the private sector which insures a younger, healthier population. I am concerned that these cuts and the proposed changes in the structure of the Medicare Program will adversely impact the quality of care for Medicare beneficiaries and will make it more expensive to individuals.

Mr. President, we have debated this budget resolution over the course of several days and have had vigorous debate over a series of amendments which would have restored necessary funding in areas such as health care, education, job training, and environmental protection. Regrettably, these efforts did not succeed. But, the votes really have been just a self-fulfilling prophecy. It is clear that the majority isn't looking to compromise or learn from our painful experience last year. This legislation was never designed to engender my support and I certainly will not lend my support to it.

In addition to the funding issues I have described, Mr. President, I feel compelled to discuss the unusual instruction contained in the budget resolution concerning the reporting out of three separate reconciliation bills. This instruction is objectionable because it unnecessarily expands the role of reconciliation in the budgeting process. Perhaps, more importantly, it is objectionable because it goes so far as to instruct the reporting out of a rec-

onciliation bill that not only will not lower the deficit but undoubtedly will raise the deficit.

Mr. President, I yield the floor.

AMENDMENT NO. 4022

The PRESIDING OFFICER. The pending business before the Senate is now the McCain amendment No. 4022.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator who has the amendment, Senator MCCAIN.

Mr. MCCAIN. Doesn't the opposition speak first, Mr. President, the other side?

Mr. EXON. I yield Senator HOLLINGS the 30 seconds on our side on the McCain amendment.

Mr. HOLLINGS. Mr. President, I understand the distinguished Senator from Arizona and I are agreed substantially with his sense-of-the-Senate resolution. In every one of the auctions, Mr. President, what we do on them is not to maximize the revenues but to protect the public interest. We want to increase the efficiency and enhance the competition.

So I welcome this particular sense-of-the-Senate resolution. But I have to add, of course, the fundamental of the public interest, which I am sure the Senator from Arizona is interested in, is stipulated in the Communications Act of 1934, section 309, and now in the new Telecommunications Act it is also to be adhered to. So I move the adoption of the resolution.

Mr. DOMENICI. We have no objection to the resolution.

Mr. EXON. We have no objection.

Mr. MCCAIN. Mr. President, I thank the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the sense-of-the-Senate resolution offered by my friend from Arizona encourages the Federal Communications Commission [FCC] to move forward expeditiously on a number of pending proceedings. In doing so, would the Senator from Arizona agree that section 309 of the Communications Act of 1934, as amended, is the provision of law that authorizes the FCC's use of auctions as a licensing procedure?

Mr. MCCAIN. I agree.

Mr. HOLLINGS. Would the Senator further agree that the FCC should follow the statute in conducting auctions?

Mr. MCCAIN. Yes, I agree that the FCC should follow the law.

I yield the floor and yield back the remainder of my time.

AMENDMENT NO. 4041 TO AMENDMENT NO. 4022

Mr. MURKOWSKI. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. HOLLINGS. Parliamentary inquiry. Did we adopt the amendment?

The PRESIDING OFFICER. We have not adopted the amendment.

Mr. HOLLINGS. I ask unanimous consent it be agreed to.

The PRESIDING OFFICER. There is a pending second-degree amendment that has not been read.

The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] for himself, Mr. WARNER, Mr. MCCAIN, Mr. CHAFEE, and Mr. SMITH, proposes an amendment numbered 4041 to amendment No. 4022.

Strike all after the word "SEC." and insert: The Congress finds that—

(1) The Founding Fathers were committed to the principle of civilian control of the military;

(2) Every President since George Washington has affirmed the principle of civilian control of the military;

(3) Twenty-six Presidents of the United States served in the United States Armed Forces prior to their inauguration and none of them claimed the Presidency represented a continuation of their military service;

(4) No President of the United States prior to May 15, 1996 has ever sought relief from legal action on the basis of serving as Commander-in-Chief of the United States Armed Forces;

(5) President Clinton is the subject of a sexual harassment lawsuit filed on May 6, 1994 in Federal District Court in Little Rock, Arkansas involving allegations about his conduct in May, 1991;

(6) On May 15, 1996, a legal brief filed on behalf of the President of the United States in the United States Supreme Court asserted the President of the United States may be entitled to the protections afforded members of the United States Armed Forces under the Soldiers' and Sailors' Relief Act of 1940 (50 U.S.C. 501 et. al); and

(7) The purpose of the Soldiers' and Sailors' Civil Relief Act of 1940 is to enable members of the military services "to devote their entire energy to the defense needs of the nation."

It is the sense of the Senate that the assumptions underlying this resolution include that the President of the United States should state unequivocally that he is not entitled to and will not seek relief from legal action under the Soldiers' and Sailors' Civil Relief Act of 1940, and that he will direct removal from his legal brief any reference to the protections of the Act.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Each side gets 30 seconds. The Senator from Alaska has 30 minutes.

Mr. FORD. I asked for a quorum.

Mr. MURKOWSKI. I ask for the yeas and nays. Mr. President, along with Senators WARNER, CHAFEE and MCCAIN, who are cosponsors, I believe what we have here is an assertion without precedent. The President of the United States claims in a brief filed in the Supreme Court that a pending sexual harassment lawsuit against him should be delayed indefinitely. He claims he is entitled to the protection afforded members of the military under the Soldiers and Sailors Act of 1940.

For the President to make the claim that he is a member of the Armed Forces is simply beyond comprehension.

Mr. FORD. Mr. President, regular order.

Mr. MURKOWSKI. It flies in the face of the 207-year-old tradition established by George Washington that the U.S. military should be under civilian control.

Mr. FORD. Regular order.

Mr. MURKOWSKI. As the commander of the American Legion said: "We've had plenty of great Americans take off a military uniform to assume the Presidency. None has ever put on a uniform after Inauguration Day."

As a former member of the U.S. Coast Guard, I respectfully request that the President should immediately direct his attorney to drop this absurd claim.

Mr. EXON. Mr. President, the Senator is not in order.

The PRESIDING OFFICER. The Senator from Nebraska has 30 seconds.

Mr. EXON. My apologies to those I told we would be out of here by 5:10.

Mr. President, I suggest the absence of a quorum.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Mississippi.

Mr. LOTT. Mr. President, it is obvious that we are not going to be able to work out an agreement as to how a vote can be obtained on this issue this afternoon. The budget resolution is very important to the American people. Therefore, I ask unanimous consent that the amendment be withdrawn following 4 minutes of debate equally divided between the amendment sponsor and the Democratic leader.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, Mr. President, I wonder if our leader will further say, when that is done what will happen, so we all know.

Mr. LOTT. I believe, Mr. President, from the chairman, we have one amendment left that will be voice voted, and we will be prepared to go to final passage immediately after that.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DOMENICI. Does the unanimous-consent request include the last statement about the sequencing?

Mr. LOTT. Mr. President, I ask unanimous consent that the sequence after this exchange be, we have a voice vote on the pending McCain amendment and we go immediately to final passage of the budget resolution.

The PRESIDING OFFICER. Is there objection to the revised unanimous consent request? Without objection, it is so ordered.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, in the interest of moving the budget process along, I am withdrawing my amendment, but I want to assure my colleagues, until our President orders his legal counsel to drop this argument in court, I will be raising this issue on every bill.

As we go out for this Memorial Day recess, I urge all of us to reflect on the significance of this particular issue.

I yield the remaining time split between Senator MCCAIN and Senator WARNER.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I would like to read from the CONGRESSIONAL RECORD, October 7, 1940, referring to this act. It reads:

The term "person in military service" and the term "persons in the military service of the United States," as used in this Act, shall include the following persons and no others: All members of the Army of the United States, the United States Navy, the Marine Corps, the Coast Guard and all officers of the Public Health Service detailed by proper authority for duty either with the Army or the Navy. The term "military service," as used in this Act, shall signify Federal service on active duty with any branch of service. * * *

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I do not know if the President of the United States knew that this was part of the defense prepared by his lawyers. I hope very strongly that he will have this taken from it. It is an issue which is very emotional to a lot of Americans, and I hope that by us raising this issue that the issue will be dispensed with very quickly by the President of the United States.

I yield back the remainder of my time.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, let me read a statement, first of all, by Robert Bennett, the attorney representing the President:

* * * my petition on the President's behalf references the Soldiers' and Sailors' Civil Relief Act as one of five illustrative examples of the types of stays that can temporarily defer lawsuits. The President does not rely on the Act, and has no intention of doing so, as the basis for requesting relief in this case. Our petition does not rely on the Act, but is based instead on important constitutional principles. We have no intention of changing our approach in the future.

Mr. President, I submit for the RECORD the brief submitted on behalf of the President, and I ask unanimous consent that it be printed in the RECORD.

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

[In the Supreme Court of the United States, October term, 1995]

WILLIAM JEFFERSON CLINTON, PETITIONER, vs. PAULA CORBIN JONES, RESPONDENT

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Eighth Circuit.

PETITION FOR A WRIT OF CERTIORARI
QUESTIONS PRESENTED

1. Whether the litigation of a private civil damages action against an incumbent President must in all but the most exceptional cases be deferred until the President leaves office.

2. Whether a district court, as a proper exercise of judicial discretion, may stay such litigation until the President leaves office.

PARTIES TO THE PROCEEDING

Petitioner. President William Jefferson Clinton, was a defendant in the district court and appellant in the court of appeals. Re-

spondent Paula Corbin Jones was the plaintiff in the district court and cross-appellant in the court of appeals. Danny Ferguson was a defendant in the district court.

Petitioner William Jefferson Clinton respectfully requests that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Eighth Circuit entered in this case on January 9, 1996.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1) is reported at 72 F.3d 1354. The court of appeals' order denying the petition for rehearing (Pet. App. 32) is reported at 81 F.3d 78. The principal opinion of the district court (Pet. App. 54) is reported at 869 F. Supp. 690. Other published opinions of the district court (Pet. App. at 40 and 74) appear at 858 F. Supp. 902 and 879 F. Supp. 86.

JURISDICTION

The judgment of the United States Court of Appeals for the Eighth Circuit was entered on January 9, 1996. A petition for rehearing was filed on January 23, 1996, and denied on March 28, 1996. This Court's jurisdiction is invoked pursuant to 28 U.S.C. §1254(l) (1994).

LEGAL PROVISIONS INVOLVED IN THE CASE

U.S. CONST. art. II, §1, cl. 1.
U.S. CONST. art. II, §§2-4.
U.S. CONST. amend. XXXV.
42 U.S.C. §1983 (1994).
42 U.S.C. §1985 (1994).
50 U.S.C. app. §510 (1988).
50 U.S.C. app. §521 (1988).
50 U.S.C. app. §525 (Supp. V 1993).
FED. R. CIV. P. 40.

These provisions are set forth at pages App. 79-85 of the Petitioner's Appendix.

STATEMENT OF THE CASE

Petitioner William Jefferson Clinton is President of the United States. On May 6, 1994, respondent Paula Corbin Jones filed this civil damages action against the President in the United States District Court for the Eastern District of Arkansas. The complaint was premised in substantial part on conduct alleged to have occurred three years earlier, before the President took office. The complaint included two claims arising under the federal civil rights statutes and two arising under common law, and sought \$175,000 in actual and punitive damages for each of the four counts.¹ Jurisdiction was asserted under 28 U.S.C. §§1331, 1332 and 1343 (1994).

The President moved to stay the litigation or to dismiss it without prejudice to its reinstatement when he left office, asserting that such a course was required by the singular nature of the President's Article II duties and by principles of separation of powers. The district court stayed trial until the President's service in office expired, but held that discovery could proceed immediately "as to all persons including the President himself." Pet. App. 71.

The district court reasoned that "the case most applicable to this one is *Nixon v. Fitzgerald*, [457 U.S. 731 (1982)]," (Pet. App. 67) which held that a President is absolutely immune from any civil litigation challenging his official acts as President. While the holding of *Fitzgerald* did not apply to this case because President Clinton was sued primarily for actions taken before he became President, the court stated that "[t]he language of the majority opinion" in *Fitzgerald*

"is sweeping and quite firm in the view that to disturb the President with defending civil litigation that does not demand immediate attention . . . would be to interfere with the conduct of the duties of the office." Pet. App. 68-69. The district court further found that these concerns "are not lessened

¹Footnotes at end of brief.

by the fact that [the conduct alleged] preceded his Presidency." *Id.* Invoking Federal Rule of Civil Procedure 40 and the court's equitable power to manage its own docket, the district judge stayed the trial "[t]o protect the Office of President . . . from unfettered civil litigation, and to give effect to the policy of separation of powers." Pet. App. 72.²

The trial court, observing that the plaintiff had filed suit three years after the alleged events, further concluded that the plaintiff would not be significantly inconvenienced by delay of trial. Pet. App. 70. However, it found "no reason why the discovery and deposition process could not proceed," and said that this would avoid the possible loss of evidence with the passage of time. Pet. App. 71.

The President and respondent both appealed.³ A divided panel of the court of appeals reversed the district court's order staying trial, and affirmed its decision allowing discovery to proceed. The panel issued three opinions.

Judge Bowman found the reasoning in *Fitzgerald* "inapposite where only personal, private conduct by a President is at issue," (Pet. App. 11), and determined that "the Constitution does not confer upon an incumbent President any immunity from civil actions that arise from his unofficial acts." Pet. App. 16. He also wrote that

"[t]he Court's struggle in *Fitzgerald* to establish presidential immunity for acts within the outer perimeter of official responsibility belies the notion . . . that beyond this outer perimeter there is still more immunity waiting to be discovered."

Pet. App. 9.

Judge Bowman further concluded that it would be an abuse of discretion to stay all proceedings against an incumbent President, asserting that the President "is entitled to immunity, if at all, only because the Constitution ordains it. Presidential immunity thus cannot be granted or denied by the courts as an exercise of discretion." Pet. App. 16. Ruling that the court of appeals had "pendent appellate jurisdiction" to entertain respondent's challenge to the stay of trial issued by the district court, (Pet. App. 5 n.4) (citing *Kincade v. City of Blue Springs, Mo.*, 64 F.3d 389, 394 (8th Cir. 1995), cert. denied, 1996 WL 26287 (Apr. 29, 1996)), Judge Bowman accordingly reversed that stay as an abuse of discretion. Pet. App. 13 n.9.

In reaching these conclusions, Judge Bowman put aside concerns that the separation of powers could be jeopardized by a trial court's exercising control over the President's time and priorities, through the supervision of discovery and trial. He stated that any separation of powers problems could be avoided by "judicial case management sensitive to the burdens of the presidency and the demands of the President's schedule." Pet. App. 13.

Judge Beam "concur[red] in the conclusions reached by Judge Bowman." Pet. App. 17. He stated that the issues presented "raise matters of substantial concern given the constitutional obligations of the office" of the Presidency. Pet. App. 17. He also acknowledged that "judicial branch interference with the functioning of the presidency should this suit be allowed to go forward" is a matter of "major concern." Pet. App. 21. He expressed his belief, however, that this litigation could be managed with a "minimum of impact on the President's schedule." Pet. App. 23. This could be accomplished, he suggested, by the President's choosing to forgo attending his own trial or becoming involved in discovery, or by limiting the number of pre-trial encounters between the President and respondent's counsel. Pet. App. 23-24. Judge Beam stated that

he was concurring "[w]ith [the] understanding" that the trial judge would have substantial latitude to manage the litigation in a way that would accommodate the interests of the Presidency. Pet. App. 25.

Judge Ross dissented, stating that the "language, logic and intent" of *Fitzgerald*

"directs a conclusion here that, unless exigent circumstances can be shown, private actions for damages against a sitting President of the United States, even though based on unofficial acts, must be stayed until the completion of the President's term."

Pet. App. 25. Judge Ross observed that "[n]o other branch of government is entrusted to a single person," and determined that

"[t]he burdens and demands of civil litigation can be expected * * * to divert [the President's] energy and attention from the rigorous demands of his office to the task of protecting himself against personal liability. That result * * * would impair the integrity of the role assigned to the President by Article II of the Constitution."

Pet. App. 26.

Judge Ross also stated that private civil suits against sitting Presidents

"create opportunities for the judiciary to intrude upon the Executive's authority, set the stage for potential constitutional confrontations between courts and a President, and permit the civil justice system to be used for partisan political purposes."

Pet. App. 28. At the same time, he reasoned, postponing litigation "will rarely defeat a plaintiff's ability to ultimately obtain meaningful relief." Pet. App. 30. Judge Ross concluded that litigation should proceed against a sitting President only if a plaintiff can "demonstrate convincingly both that delay will seriously prejudice the plaintiff's interests and that * * * [it] will not significantly impair the president's ability to attend to the duties of his office." Pet. App. 31.

The court of appeals denied the President's request for a rehearing en banc, with three judges not participating and Judge McMillian dissenting. Judge McMillian said the majority's holding had "demean[ed] the Office of the President of the United States." Pet. App. 32. He wrote that the panel majority "would put all the problems of our nation on pilot control and treat as more urgent a private lawsuit that even the [respondent] delayed filing for at least three years," and would "allow judicial interference with, and control of, the President's time." Pet. App. 33.

REASONS FOR GRANTING THE PETITION

This case presents a question of extraordinary national importance, which was resolved erroneously by the court of appeals. For the first time in our history, a court has ordered a sitting President to submit, as a defendant, to a civil damages action directed at him personally. We believe that absent exceptional circumstances, an incumbent President should never be placed in this position. And surely a President should not be placed in this position for the first time in our history on the basis of a decision by a fragmented panel of a court of appeals, without this Court's review.

The decision of the court below is erroneous in several respects. It is inconsistent with the reasoning of *Nixon v. Fitzgerald* and with established separation of powers principles. The panel majority's suggested cure for the separation of powers problems—"judicial case management sensitive to . . . the demands of the President's schedule" (Pet. App. 13)—is worse than the disease: it gives a trial court a general power to set priorities for the President's time and energies. The panel majority also grossly overstated the supposedly extraordinary character of the

relief that the President seeks. The deferral of litigation for a specified, limited period is far from unknown in our judicial system, and it is routinely afforded in order to protect interests that are not comparable in importance to the interests the President advances here.

Now is the appropriate time for the Court to address these issues. If review is declined, the President would have to undergo discovery and trial while in office, which would eviscerate the very interests he seeks to vindicate. Moreover, if the decision below is allowed to stand, federal and state courts could be confronted with more private civil damage complaints against incumbent Presidents. Such complaints increasingly would enmesh Presidents in the judicial process, and the courts in the political arena, to the detriment of both.

A. The Decision Below Is Inconsistent With This Court's Decisions And Jeopardizes The Separation Of Powers

1. The President "occupies a unique position in the constitutional scheme." *Nixon v. Fitzgerald*, 457 U.S. 731, 749 (1982). Unlike the power of the other two branches, the entire "executive Power" is vested in a single individual, "a President," who is indispensable to the execution of that authority. U.S. CONST. art. II, §1. The President is never off duty, and any significant demand on his time necessarily imposes on his capacity to carry out his constitutional responsibilities.

Accordingly, "[c]ourts traditionally have recognized the President's constitutional responsibilities and status as factors counseling judicial deference and restraint." *Fitzgerald*, 457 U.S. 753. Indeed, "[t]his tradition can be traced far back into our constitutional history." *Id.* at 753 n.34. The form of "judicial deference and restraint" that the President seeks here—merely postponing the suit against him until he leaves office—is modest. It is far more limited, for example, than the absolute immunity that *Fitzgerald* accorded all Presidents for action taken within the scope of their presidential duties.

The panel majority concluded that because the *Fitzgerald* holding was limited to civil damages claims challenging official acts, the President should receive no form of protection from any other civil suits. This conclusion is flatly inconsistent with the reasoning of *Fitzgerald*. The Court in *Fitzgerald* determined that the President was entitled to absolute immunity not only because the threat of liability for official acts might inhibit him in the exercise of his authority (*id.* at 752 & n.32), but also because, in the Court's words, "the singular importance of the President's duties" means that "diversion of his energies by concern with private lawsuits would raise unique risks to the effective functioning of government." *Id.* at 751.

The panel majority ignored this second basis for the holding of *Fitzgerald*. The first basis of *Fitzgerald*—that the threat of liability might chill official Presidential decision making—is, of course, largely not present here, and accordingly, the President does not seek immunity from liability.⁴ But the second danger to the Presidency emphasized by *Fitzgerald*—the burdens inevitably attendant upon being a defendant in a lawsuit—clearly exists here. The court of appeals simply disregarded this "unique risk[]" to the effective functioning of government."

2. As the *Fitzgerald* Court demonstrated, the principle that a sitting President may not be subjected to private civil lawsuits has deep roots in our traditions. See 457 U.S. at 751 n.31. Justice Story stated that

"[t]he president cannot . . . be liable to arrest, imprisonment, or detention, while he is in the discharge of the duties of his office; and for this purpose *his person must be*

deemed, in civil cases at least, to possess an official inviolability.”

3 JOSEPH STORY, COMMENTARIES ON THE CONSTITUTION OF THE UNITED STATES §1563, pp. 418-19 (1st ed. 1833) (emphasis added), quoted in *Fitzgerald*, 457 U.S. at 749. Senator Oliver Ellsworth and then-Vice President John Adams, both delegates to the Constitutional Convention, also agreed that

“the President, personally, was not . . . subject to any process whatever . . . For [that] would . . . put it in the power of a common justice to exercise any authority over him and stop the whole machine of Government.”

JOURNAL OF WILLIAM MACLAY 167 (E. Maclay ed., 1890), quoted in *Fitzgerald*, 457 U.S. at 751 n.31.

President Jefferson was even more emphatic:

“The leading principle of our Constitution is the independence of the Legislature, executive and judiciary of each other. . . . But would the executive be independent of the judiciary, if he were subject to the commands of the latter, & to imprisonment for disobedience; if the several courts could bandy him from pillar to post, keep him constantly trudging from north to south & east to west, and withdraw him entirely from his constitutional duties?”

10 The Works of Thomas Jefferson 404 n. (Paul L. Ford ed., 1905), quoted in *Fitzgerald*, 457 U.S. at 751 n.31. As the Court said in *Fitzgerald*, “nothing in [the Framers’] debates suggests an expectation that the President would be subjected to the distraction of suits by disappointed private citizens.” 457 U.S. 751 n.31.

3. The panel majority minimized the separation of powers concerns that so troubled the Framers. It ruled that these problems can never be addressed by postponing litigation against the President until the end of his term. Pet. App. 16. Instead, the panel majority’s solution was “judicial case management sensitive to the burdens of the presidency and the demands of the President’s schedule.” Pet. App. 13. Rather than solving the separation of powers problems raised by allowing a suit to go forward against a sitting President, the panel’s approach only exacerbates them.

The panel majority envisioned that, throughout the course of litigation against him, a President could “pursue motions for rescheduling, additional time, or continuances” if he could show that the proceedings “interfer[ed] with specific, particularized, clearly articulated presidential duties.” Pet. App. 16. If the President disagreed with a decision of the trial court, he could “petition [the court of appeals] for a writ of mandamus or prohibition.” Pet. App. 16. In other words, under the panel’s approach, a trial court could insist, before considering a request by the President for adjustment in the litigation schedule, that the President provide a “specific, particularized” explanation of why he believed his official duties prevented him from devoting his attention to the litigation at that time. The court would then be in the position of repeatedly evaluating the President’s official priorities—precisely what Jefferson so feared.

This approach is an obvious affront to the complex and delicate relationship between the Judiciary and the Presidency. Neither branch should be in a position where it must approach the other for approval to carry out its day-to-day responsibilities. Even if a trial court discharged this mission with the greatest judiciousness, it is difficult to think of anything more inconsistent with the separation of powers than to put a court in the position of continually passing judgment on whether the President is spending time in a way the court finds acceptable.

4. The panel majority similarly attempted to downplay the demands that defending private civil litigation would impose on the President’s time and energies. Pet. App. 13-15. The concurring opinion in particular likened the defense of a personal damages suit to the few instances when Presidents have testified as witnesses in judicial or legislative proceedings. Pet. App. 22-23. This notion is implausible on its face; there is no comparison between being a defendant in a civil damages action and merely being a witness. Even so, Presidents have been called as witnesses only in cases of exigent need, and only under carefully controlled circumstances designed to minimize intrusions on the President’s ability to carry out his duties.

A sitting President has never been compelled to testify in civil proceedings. Presidents occasionally have been called upon to testify in criminal proceedings, in order to preserve the public’s interest in criminal law enforcement (*Fitzgerald*, 457 U.S. at 754) and the defendant’s Constitutional right to compulsory process (U.S. Const. amend. VI; *United States v. Burr*, 25 F. Cas. 30, 33 (C.C.D. Va 1807) (No. 14,692d))—factors that are, of course, not present here. But even in those compelling cases, as Chief Justice Marshall recognized, courts are not “required to proceed against the president as against an ordinary individual.” *United States v. Burr*, 25 F. Cas. 187, 192 (C.C.D. Va. 1807) (No. 14,694). Instead, courts have required a heightened showing of need for the President’s testimony, and have permitted it to be obtained only in a manner that limits the disruption of his official functions, such as by videotaped deposition.⁵

In any event, there is an enormous difference between being a third-party witness and being a defendant threatened with financially ruinous personal liability. This is true even for a person with only the normal business and personal responsibilities of everyday life—which are, of course, incalculably less demanding than those of the President. A President as a practical matter could never wholly ignore a suit such as the present one, which seeks to impugn the President’s character and to obtain \$700,000 in putative damages from the President personally. “The need to defend damages suits would have the serious effect of diverting the attention of a President from his executive duties since defending a lawsuit today—even a lawsuit ultimately found to be frivolous—often requires significant expenditures of time and money, as many former public officials have learned to their sorrow.” *Fitzgerald*, 457 U.S. at 763 (Burger, C.J., concurring).

Judge Learned Hand once commented that as a litigant, he would “dread a lawsuit beyond anything else short of sickness and death.”⁶ In this regard the President is like any other litigant, except that a President’s litigation, like a President’s illness, becomes the nation’s problem.

B. The Court of Appeals Erred in Viewing the Relief Sought by the President As Extraordinary

The court below appears to have viewed the President’s claim in this case as exceptional, both in the relief that it sought and in the burden that it imposed on respondent.⁷ In fact, far from seeking a “degree of protection from suit for his private wrongs enjoyed by no other public official (much less ordinary citizens)” (Pet. App. 13), the relief that the President seeks—the temporary deferral of litigation—is far from unknown in our system, and the burdens it would impose on plaintiffs are not extraordinary.

There are numerous instances where civil plaintiffs are required to accept the temporary postponement of litigation so that important institutional or public interests can be protected. For example, the Soldiers’

and Sailors’ Civil Relief Act of 1940, 50 U.S.C. app. §§501-25 (1988 & Supp. V 1993), provides that civil claims by or against military personnel are to be tolled and stayed while they are on active duty.⁸ Such relief is deemed necessary to enable members of the armed forces “to devote their entire energy to the defense needs of the Nation.” 50 U.S.C. app. §510 (1988). President Clinton here thus seeks relief similar to that to which he may be entitled as Commander-In-Chief of the Armed Forces, and which is routinely available to service members under his command.

The so-called automatic stay provision of the Bankruptcy Code similarly provides that litigation against a debtor is to be stayed as soon as a party files a bankruptcy petition. That stay affects all litigation that “was or could have been commenced” prior to the filing of that petition, 11 U.S.C. §362 (1994), and ordinarily will remain in effect until the bankruptcy proceeding is completed. *Id.*⁹ Thus, if respondent had sued a party who entered bankruptcy, respondent would automatically find herself in the same position she will be in if the President prevails before the Court—except that the bankruptcy stay is indefinite, while the stay in this case has a definite term, circumscribed by the constitutional limit on a President’s tenure in office.

It is well established that courts, in appropriate circumstances, may put off civil litigation until the conclusion of a related criminal prosecution against the same defendant.¹⁰ That process may, of course, take several years, and affords the civil plaintiff no relief. The doctrine of primary jurisdiction, where it applies, compels plaintiffs to postpone the litigation of their civil claims while they pursue administrative proceedings, even though the administrative proceedings may not provide the relief they seek. This process too can take several years. See, e.g., *Ricci v. Chicago Mercantile Exch.*, 409 U.S. 289, 306-07 (1973). And public officials who unsuccessfully raise a qualified immunity defense in a trial court are entitled, in the usual case, to a stay of discovery while they pursue an interlocutory appeal. *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982). Such appeals can routinely delay litigation for a substantial period.

We do not suggest that all of these doctrines operate in exactly the same way as the relief that the President seeks here. But these examples thoroughly dispel any suggestion that the President, in asking that this litigation be deferred, is somehow placing himself “above the law,” or that holding this litigation in abeyance would impermissibly violate a plaintiff’s entitlement to access to the courts. More specifically, these examples demonstrate that what the President is seeking—the temporary deferral of litigation—is relief that our judicial system routinely provides when significant institutional or public interests are at stake, as they manifestly are here.

C. The Panel Majority Erred In Asserting Jurisdiction Over, And Reversing, The District Court’s Discretionary Decision To Stay The Trial Until After President Clinton Leaves Office

1. Respondent cross-appealed to challenge the district court’s order to stay trial. Ordinarily, a decision by a district court to stay proceedings is not a final decision for purposes of appeal. *Moses H. Cone Memorial Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 10 n.11 (1983). Such orders may be reviewed on an interlocutory basis only by writ of mandamus. See U.S.C. §651 (1994).¹¹ Inserting that jurisdiction existed for her cross-appeal, the respondent did not seek such a writ or contend that the stay was appealable under 28 U.S.C. §1291 (1994) as a final order, or as a collateral

order under *Cohen v. Beneficial Indus. Loan Corp.*, 337 U.S. 541, 546 (1949). Instead respondent asserted, and the panel majority found, that the Court of Appeals had "pendent appellate jurisdiction" over respondent's cross-appeal. Pet. App. 5 n.4.

In *Swint v. Chambers County Comm'n.*, 115 S. Ct. 1203 (1995), this Court ruled that the notion of "pendent appellate jurisdiction," if viable at all, is extremely narrow in scope (see *id.* at 1212), and is not to be used "to parlay *Cohen*-type collateral orders into multi-issue interlocutory appeal tickets." *Id.* at 1211. The panel majority sought to avoid *Swint* by declaring that respondent's cross-appeal was "inextricably intertwined" with the President's appeal. Pet. App. 5 n.4. This conclusion is incorrect.

The question of whether the President is entitled, as a matter of law, to defer this litigation is analytically distinct from the question of whether a district court may exercise its discretion to stay all or part of the litigation. The former question raises an issue of law, to be decided based on the President's constitutional role and the separation of powers principles we have discussed; the latter is a discretionary determination to be made on the basis of the particular facts of the case. Moreover, the legal question of whether a President is entitled to defer litigation is one on which the district court's determination is entitled to no special deference; a court's exercise of discretion to stay proceedings is a determination that can be overturned only for abuse of that discretion.

The district court, in deciding to postpone trial in this case, explicitly invoked its discretionary powers over scheduling (Pet. App. 71 (citing Fed. R. Civ. P. 40 and "the equity powers of the Court")), and based its decision not only on the defendant's status as President—certainly a relevant and valid factor—but also on a detailed discussion of the particular circumstances of this case:

"This is not a case in which any necessity exists to rush to trial. It is not a situation, for example, in which someone has been terribly injured in an accident . . . and desperately needs to recover . . . damages. . . . It is not a divorce action, or a child custody or child support case, in which immediate personal needs of other parties are at stake. Neither is this a case that would likely be tried with few demands on Presidential time, such as an *in rem* foreclosure by a lending institution."

"The situation here is that the Plaintiff filed this action two days before the three-year statute of limitations expired. Obviously, Plaintiff Jones was in no rush to get her case to court. . . . Consequently, the possibility that Ms. Jones may obtain a judgment and damages in this matter does not appear to be of urgent nature for her, and a delay in trial of the case will not harm her right to recover or cause her undue inconvenience."

Pet. App. 70.

Review of the district court's discretionary decision to postpone the trial—unlike review of its decision to reject the President's position that the entire case should be deferred as a matter of law—must address these particular facts of this case. Thus the respondent's cross-appeal raised issues that, far from being "inextricably intertwined" with the President's submission, can be resolved separately from it. The panel majority's expansion of the court of appeals' jurisdiction over this interlocutory appeal was in error.

2. The decision to reverse the district court also was incorrect on the merits. As Justice Cardozo explained for this Court in *Landis v. North Am. Co.*, 299 U.S. 248 (1936), a trial judge's decision to stay proceedings should not be lightly overturned:

"[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket. . . . How this can best be done calls for the exercise of judgment, which must weigh competing interests and maintain an even balance."

Id. at 254–55. Indeed, the Court in *Landis* specifically stated that

"[e]specially in cases extraordinary public moment, the [plaintiff] may be required to submit to delay not immoderate in extent and not oppressive in its consequences if the public welfare or convenience will thereby be promoted."

Id. at 256.

The panel majority justified its reversal of the district court with a single sentence in a footnote: "Such an order, delaying the trial until Mr. Clinton is no longer President, is the functional equivalent of a grant of temporary immunity to which, as we hold today, Mr. Clinton is not constitutionally entitled." Pet. App. 13 n.9. It is unclear what the panel meant by labeling the district court's order the "functional equivalent" of "temporary immunity", inasmuch as the district court held that the litigation could go forward through all steps short of trial. But it is entirely clear that the panel majority, in its sweeping and conclusory ruling, did not begin to conduct the kind of careful weighing of the particular facts and circumstances that might warrant a conclusion that the trial court here abused its discretion.

D. The Court Should Grant Review Now To Protect The Interests Of The Presidency

This is the only opportunity for the Court to review the President's claim and grant adequate relief. If review is declined at this point, the case will proceed in the trial court, and the interests the President seeks to preserve by having the litigation deferred—interests "rooted in the constitutional tradition of the separation of powers"—will be irretrievably lost. *Fitzgerald*, 457 U.S. at 743, 749. Should the President prevail on the merits below, this Court will not even have the opportunity to provide guidance for future cases.

Now, a court for the first time in history has held that a sitting President is required to defend a private civil damages action. This holding breaches historical understandings that are as appropriate today as ever before.¹² The court in *Fitzgerald* specifically anticipated the threat posed by suits of this kind. Because of "the sheer prominence of the President's office," the Court noted, the President "would be an easily identifiable target for suits for civil damages." 457 U.S. at 752–53. Chief Justice Burger added: "When litigation processes are not tightly controlled . . . they can be and are used as mechanisms of extortion. Ultimate vindication on the merits does not repair the damage." *Id.* at 763 (concurring opinion). In these circumstances, the fact that there is "no historical record of numerous suits against the President"—as there was no comparable record before *Fitzgerald* (*id.* at 753 n.33)—provides no reassurance at all that this case will be an isolated one.

There is no question that the issues raised by this case will have profound consequences for both the Presidency and the Judiciary. The last word on issues of this importance should not be a decision by a splintered panel of a court of appeals—a decision that is inconsistent with the precedents of this Court and with the constitutional tradition of separation of powers. The Court has recognized that a "special solicitude [is] due to claims alleging a threatened breach of essential Presidential prerogatives under the separation of powers." *Id.* at 743. The Court should grant review now, to protect those prerogatives.

CONCLUSION

For the foregoing reasons, we respectfully request that the President's petition for writ of certiorari be granted.

Respectfully submitted,

ROBERT S. BENNETT

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Of Counsel:

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FOOTNOTES

¹The first two counts allege that in 1991, when the President was Governor of Arkansas and respondent a state employee, he subjected respondent to sexual harassment and thereby deprived her of her civil rights in violation of 42 U.S.C. §§1983, 1985 (1994). A third claim alleges that the President thereby inflicted emotional distress upon respondent. Finally, the complaint alleges that in 1994, while he was President, petitioner defamed respondent through statements attributed to the White House Press Secretary and his lawyer, denying her much-publicized allegations against the President.

Arkansas State Trooper Danny Ferguson was named as codefendant in two counts. Respondent alleges that Trooper Ferguson approached her on the President's behalf, thereby conspiring with the President to deprive the respondent of her civil rights in violation of 42 U.S.C. §1985. Respondent also alleges that Mr. Ferguson defamed her in statements about a woman identified only as "Paula," which were attributed to an anonymous trooper in an article about President Clinton's personal conduct published in *The American Spectator* magazine. Neither the publication nor the author was named as a defendant in the suit.

²The stay of trial encompassed the claims against Trooper Ferguson as well, because the court found that there was "too much interdependency of events and testimony to proceed piecemeal," and that "it would not be possible to try the Trooper adequately without testimony from the President." Pet. App. 71.

³Jurisdiction for the President's appeal was founded on 28 U.S.C. §1291 (1994) and the collateral order doctrine, as articulated in *Mitchell v. Forsyth*, 472 U.S. 511, 526 (1985) and *Nixon v. Fitzgerald*, 457 U.S. 731, 743 (1982). In our view, however, the court of appeals lacked jurisdiction to entertain respondent Jones' cross-appeal. See *infra* pp. 16–19. The district court stayed the litigation as to both defendants pending appellate review. Pet. App. 74.

⁴The President reserved the right below to assert at the appropriate time, along with certain common law immunities, the defense of absolute immunity to the defamation claim that arose during his Presidency.

⁵See e.g., *United States v. McDougal*, No. LR–CR–95–173 (E.D. Ark. Mar. 20, 1996) (videotaped deposition at the White House); *United States v. Poindexter*, 732 F. Supp. 142, 146–47 (D.C. 1990) (videotaped deposition); *United States v. North*, 713 F. Supp. 1448, 1449 (D.D.C. 1989) (quashing subpoena because defendant failed to show that President's testimony would support his defense), *aff'd*, 910 F.2d 843 (D.C. Cir. 1990), *cert. denied*, 500 U.S. 941 (1991); *United States v. Fromme*, 405 F. Supp. 578, 583 (E.D. Cal. 1975) (videotaped deposition).

⁶3 *Lectures on Legal Topics*, Assn. of the Bar of the City of New York 105 (1926), quoted in *Fitzgerald*, 457 U.S. at 763 n.6 (Burger, C.J., concurring).

⁷For example, the panel majority declared that Article II "did not create a monarchy" and that the President is "cloaked with none of the attributes of sovereign immunity." Pet. App. 6.

⁸Specifically, a lawsuit against an active-duty service member is to be stayed unless it can be shown that the defendant's "ability . . . To conduct his defense is not materially affected by reason of his military service." 50 U.S.C. app. §521 (1988).

⁹Indeed, a bankruptcy judge's discretion has been held sufficient to authorize a stay of third-party litigation in other courts that conceivably could have an effect on the bankruptcy estate, even if the debtor is not a party to the litigation and the automatic stay is not triggered. See 11 U.S.C. §105 (1994); 2 COLLIER ON BANKRUPTCY ¶105.02 (Lawrence P. King ed., 15th ed. 1994), and cases cited therein.

¹⁰See, e.g., *Koester v. American Republic Invs.*, 11 F.3d 818, 823 (8th Cir. 1993); *Wehling v. Columbia*

Broadcasting Sys., 608 F.2d 1084 (5th Cir. 1979); *United States v. Mellon Bank, N.A.*, 545 F.2d 869 (3d Cir. 1976).

¹¹ Some courts recognize that exceptions may exist in cases in which a stay is "tantamount to a dismissal" because it "effectively ends the litigation." See, e.g., *Boushel v. Toro Co.*, 985 F.2d 406, 408 (8th Cir. 1993); *Cheyney State College Faculty v. Hufstедler*, 703 F.2d 732, 735 (3d Cir. 1983). Even assuming that this exception should be allowed, it is not applicable here, where the district court's order clearly contemplated further proceedings in federal court. See *Boushel*, 985 F.2d at 408-09.

¹² Heretofore, there have been no private civil damage suits initiated or actively litigated while defendant was serving as President. While there are recorded private civil suits against Theodore Roosevelt, Harry Truman and John F. Kennedy, all were underway before the defendant assumed office. The first two were dismissed by the time the defendant became President; after each took office, the dismissal as confirmed on appeal. See *New York ex rel. Hurley v. Roosevelt*, 179 N.Y. 544 (1904); *DeVault v. Truman*, 194 S.W.2d 29 (Mo. 1946). The Kennedy case was filed while he was a candidate, and was settled after President Kennedy's inauguration, without any discovery against the Chief Executive. See, *Bailey v. Kennedy*, No. 757200, and *Hills v. Kennedy*, No. 757201 (Los Angeles County Superior Court, both filed Oct. 27, 1960).

Mr. DASCHLE. Mr. President, we all ought to recognize this for what it is. This is politics; this is an effort to embarrass the President of the United States. We all understand that. We all fully appreciate what is going on here.

The fact is, the President has said over and over that the Constitution is his source on all that he does. And certainly in this case, that principle is again articulated in the statement made by Mr. Bennett.

The brief refers to five illustrative examples. That is all. They are illustrative, they are analogous. In no way does the President rely on the Soldiers' and Sailors' Act for any defense or any exemption from legal action. So this resolution is based on a completely false premise and is totally misdirected.

We look forward to the opportunity of having many of these debates in the coming months, because if we are going to be devoting our attention to this kind of minutiae and this kind of politicization of our debate in the coming months, as our colleagues apparently plan to do, we will get nothing done in this Senate. But that may be their choice.

The fact is, the President clearly has made his case. This amendment is in error, and we will have more opportunities to talk about it in the future.

The PRESIDING OFFICER. Under the previous order, the amendment of the Senator from Alaska is withdrawn.

The amendment (No. 4041) was withdrawn.

AMENDMENT NO. 4022

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the MCCAIN amendment.

The amendment (No. 4022) was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 413, House Concurrent Resolution 178, the House budget resolution; further, that all after the resolving clause be stricken, the text of Senate Concurrent Resolution 57, as amended, be inserted in lieu

thereof, the Senate then proceed to vote on adoption of the concurrent resolution, and immediately thereafter, the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate, and that all of this occur without any intervening debate.

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

The clerk will report.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001 and 2002.

The Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

CHANGE OF VOTE

Mr. WARNER. Mr. President, I ask unanimous consent to change my vote on rollcall vote No. 153, the Domenici second-degree amendment No. 4027, from "nay" to "aye."

The amendment was overwhelmingly approved by a vote of 75 to 25, so a change in my vote will make no difference in the outcome of the legislation.

I understand that amendment 4027 would add \$5 billion in discretionary spending authority, much of which will go to medical research and education, and that there is no impact on the Department of Defense as proposed in the underlying Specter-Harkin amendment No. 4012.

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

The PRESIDING OFFICER. The question is on agreeing to House Concurrent Resolution 178, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 156 Leg.]

YEAS—53

Abraham	Domenici	Kyl
Ashcroft	Faircloth	Lott
Bennett	Frist	Lugar
Bond	Gorton	Mack
Brown	Gramm	McCain
Burns	Grams	McConnell
Campbell	Grassley	Murkowski
Chafee	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Helms	Santorum
Coverdell	Hutchison	Shelby
Craig	Inhofe	Simpson
D'Amato	Jeffords	Smith
DeWine	Kassebaum	Snowe
Dole	Kempthorne	

Specter	Thomas	Thurmond
Stevens	Thompson	Warner

NAYS—46

Akaka	Ford	Mikulski
Baucus	Glenn	Moseley-Braun
Biden	Graham	Murray
Bingaman	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	Wyden
Feingold	Levin	
Feinstein	Lieberman	

NOT VOTING—1

Bumpers

The concurrent resolution (H. Con. Res. 178), as amended, was agreed to; as follows:

Resolved, That the resolution from the House of Representatives (H. Con. Res. 178) entitled "Concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for the fiscal years 1998, 1999, 2000, 2001, and 2002," do pass with the following amendment:

Strike out all after the resolving clause and insert:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997.

(a) *DECLARATION*.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1997, including the appropriate budgetary levels for fiscal years 1998, 1999, 2000, and 2001, as required by section 301 of the Congressional Budget Act of 1974, and including the appropriate levels for fiscal year 2002.

(b) *TABLE OF CONTENTS*.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent Resolution on the Budget for Fiscal Year 1997.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Debt increase.

Sec. 103. Social Security.

Sec. 104. Major functional categories.

Sec. 105. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.

Sec. 202. Tax reserve fund in the Senate.

Sec. 203. Superfund reserve fund in the Senate.

Sec. 204. Scoring of emergency legislation.

Sec. 205. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS, HOUSE OF REPRESENTATIVES, AND SENATE

Sec. 301. Sense of the Congress on sale of Government assets.

Sec. 302. Sense of the Congress that tax reductions should benefit working families.

Sec. 303. Sense of the Congress on a Bipartisan Commission on the Solvency of Medicare.

Sec. 304. Sense of the Senate on considering a change in the minimum wage in the Senate.

Sec. 305. Sense of the Senate on long term projections in budget estimates.

Sec. 306. Sense of the Congress on medicare transfers.

Sec. 307. Sense of the Senate on repeal of the gas tax.

Sec. 308. Sense of the Senate on medicare trustees report.

Sec. 309. Sense of the Congress regarding changes in the medicare program.

- Sec. 310. Sense of the Senate on funding to assist youth at risk.
- Sec. 311. Sense of the Senate regarding the use of budgetary savings.
- Sec. 312. Sense of the Senate regarding the transfer of excess Government computers to public schools.
- Sec. 313. Sense of the Senate on Federal retreats.
- Sec. 314. Sense of the Senate regarding the essential air service program of the Department of Transportation.
- Sec. 315. Sense of the Senate regarding equal retirement savings for homemakers.
- Sec. 316. Sense of the Senate regarding the National Institute of Drug Abuse.
- Sec. 317. Sense of the Senate regarding the extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986.
- Sec. 318. Sense of the Senate regarding the Economic Development Administration placing high priority on maintaining field-based economic development representatives.
- Sec. 319. Sense of the Senate regarding revenue assumptions.
- Sec. 320. Sense of the Senate regarding domestic violence.
- Sec. 321. Sense of the Senate regarding student loans.
- Sec. 322. Sense of the Senate regarding reduction of the national debt.
- Sec. 323. Sense of the Senate regarding hungry or homeless children.
- Sec. 324. Sense of the Senate on LIHEAP.
- Sec. 325. Sense of the Congress regarding additional charges under the medicare program.
- Sec. 326. Sense of the Congress regarding nursing home standards.
- Sec. 327. Sense of the Congress concerning nursing home care.
- Sec. 328. Sense of the Congress regarding requirements that welfare recipients be drug-free.
- Sec. 329. Sense of the Senate on Davis-Bacon.
- Sec. 330. Sense of the Senate on Davis-Bacon.
- Sec. 331. Sense of Congress on reimbursement of the United States for Operations Southern Watch and Provide Comfort.
- Sec. 332. Accurate index for inflation.
- Sec. 333. Sense of the Senate on solvency of the Medicare Trust Fund.
- Sec. 334. Sense of the Congress that the 1993 income tax increase on social security benefits should be repealed.
- Sec. 335. Sense of the Senate regarding the Administration's practice regarding the prosecution of drug smugglers.
- Sec. 336. Corporate subsidies and sale of Government assets.
- Sec. 337. Sense of the Senate on the Presidential Election Campaign Fund.
- Sec. 338. Sense of the Senate regarding welfare reform.
- Sec. 339. A resolution regarding the Senate's support for Federal, State, and local law enforcement.
- Sec. 340. Sense of the Senate regarding the funding of Amtrak.
- Sec. 341. Sense of the Senate—Truth in Budgeting.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1997: \$1,086,200,000,000.
Fiscal year 1998: \$1,129,900,000,000.

Fiscal year 1999: \$1,176,100,000,000.

Fiscal year 2000: \$1,229,900,000,000.

Fiscal year 2001: \$1,289,600,000,000.

Fiscal year 2002: \$1,359,100,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1997: —\$14,100,000,000.

Fiscal year 1998: —\$18,600,000,000.

Fiscal year 1999: —\$22,300,000,000.

Fiscal year 2000: —\$21,900,000,000.

Fiscal year 2001: —\$21,500,000,000.

Fiscal year 2002: —\$14,800,000,000.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1997: \$108,000,000,000.

Fiscal year 1998: \$113,100,000,000.

Fiscal year 1999: \$119,200,000,000.

Fiscal year 2000: \$125,500,000,000.

Fiscal year 2001: \$131,300,000,000.

Fiscal year 2002: \$137,700,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1997: \$1,323,100,000,000.

Fiscal year 1998: \$1,361,600,000,000.

Fiscal year 1999: \$1,392,400,000,000.

Fiscal year 2000: \$1,433,600,000,000.

Fiscal year 2001: \$1,454,000,000,000.

Fiscal year 2002: \$1,499,100,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1997: \$1,318,600,000,000.

Fiscal year 1998: \$1,353,500,000,000.

Fiscal year 1999: \$1,382,400,000,000.

Fiscal year 2000: \$1,415,600,000,000.

Fiscal year 2001: \$1,433,100,000,000.

Fiscal year 2002: \$1,467,400,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1997: \$232,400,000,000.

Fiscal year 1998: \$223,600,000,000.

Fiscal year 1999: \$206,300,000,000.

Fiscal year 2000: \$185,700,000,000.

Fiscal year 2001: \$143,500,000,000.

Fiscal year 2002: \$108,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1997: \$5,449,000,000,000.

Fiscal year 1998: \$5,722,700,000,000.

Fiscal year 1999: \$5,975,100,000,000.

Fiscal year 2000: \$6,207,700,000,000.

Fiscal year 2001: \$6,398,600,000,000.

Fiscal year 2002: \$6,550,500,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1997: \$41,400,000,000.

Fiscal year 1998: \$36,400,000,000.

Fiscal year 1999: \$36,600,000,000.

Fiscal year 2000: \$36,500,000,000.

Fiscal year 2001: \$36,600,000,000.

Fiscal year 2002: \$36,600,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1997: \$267,100,000,000.

Fiscal year 1998: \$267,800,000,000.

Fiscal year 1999: \$268,600,000,000.

Fiscal year 2000: \$269,700,000,000.

Fiscal year 2001: \$270,400,000,000.

Fiscal year 2002: \$271,300,000,000.

SEC. 102. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1997: \$290,000,000,000.

Fiscal year 1998: \$277,400,000,000.

Fiscal year 1999: \$256,000,000,000.

Fiscal year 2000: \$236,100,000,000.

Fiscal year 2001: \$193,300,000,000.

Fiscal year 2002: \$155,400,000,000.

SEC. 103. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302,

602, and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: \$384,900,000,000.

Fiscal year 1998: \$401,900,000,000.

Fiscal year 1999: \$422,800,000,000.

Fiscal year 2000: \$444,200,000,000.

Fiscal year 2001: \$463,900,000,000.

Fiscal year 2002: \$485,700,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: \$310,400,000,000.

Fiscal year 1998: \$323,000,000,000.

Fiscal year 1999: \$335,900,000,000.

Fiscal year 2000: \$349,300,000,000.

Fiscal year 2001: \$363,900,000,000.

Fiscal year 2002: \$378,800,000,000.

SEC. 104. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1997 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1997:

(A) New budget authority, \$265,600,000,000.

(B) Outlays, \$263,700,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$800,000,000.

Fiscal year 1998:

(A) New budget authority, \$267,100,000,000.

(B) Outlays, \$262,100,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$200,000,000.

Fiscal year 1999:

(A) New budget authority, \$269,500,000,000.

(B) Outlays, \$265,100,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$192,000,000.

Fiscal year 2000:

(A) New budget authority, \$271,800,000,000.

(B) Outlays, \$268,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$187,000,000.

Fiscal year 2001:

(A) New budget authority, \$274,200,000,000.

(B) Outlays, \$267,500,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$185,000,000.

Fiscal year 2002:

(A) New budget authority, \$276,900,000,000.

(B) Outlays, \$267,200,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$183,000,000.

(2) International Affairs (150):

Fiscal year 1997:

(A) New budget authority, \$14,200,000,000.

(B) Outlays, \$14,900,000,000.

(C) New direct loan obligations, \$4,333,000,000.

(D) New primary loan guarantee commitments, \$18,110,000,000.

Fiscal year 1998:

(A) New budget authority, \$12,700,000,000.

(B) Outlays, \$13,600,000,000.

(C) New direct loan obligations, \$4,342,000,000.

(D) New primary loan guarantee commitments, \$18,262,000,000.

Fiscal year 1999:

(A) New budget authority, \$11,600,000,000.

(B) Outlays, \$12,600,000,000.

(C) New direct loan obligations, \$4,358,000,000.

(D) New primary loan guarantee commitments, \$18,311,000,000.

- Fiscal year 2000:*
 (A) New budget authority, \$12,000,000,000.
 (B) Outlays, \$11,400,000,000.
 (C) New direct loan obligations, \$4,346,000,000.
 (D) New primary loan guarantee commitments, \$18,311,000,000.
- Fiscal year 2001:*
 (A) New budget authority, \$12,400,000,000.
 (B) Outlays, \$11,500,000,000.
 (C) New direct loan obligations, \$4,395,000,000.
 (D) New primary loan guarantee commitments, \$18,409,000,000.
- Fiscal year 2002:*
 (A) New budget authority, \$12,700,000,000.
 (B) Outlays, \$11,500,000,000.
 (C) New direct loan obligations, \$4,387,000,000.
 (D) New primary loan guarantee commitments, \$18,409,000,000.
- (3) *General Science, Space, and Technology (250):*
Fiscal year 1997:
 (A) New budget authority, \$16,700,000,000.
 (B) Outlays, \$16,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1998:*
 (A) New budget authority, \$16,100,000,000.
 (B) Outlays, \$16,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1999:*
 (A) New budget authority, \$15,700,000,000.
 (B) Outlays, \$15,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2000:*
 (A) New budget authority, \$15,400,000,000.
 (B) Outlays, \$15,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2001:*
 (A) New budget authority, \$15,500,000,000.
 (B) Outlays, \$15,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2002:*
 (A) New budget authority, \$15,500,000,000.
 (B) Outlays, \$15,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
- (4) *Energy (270):*
Fiscal year 1997:
 (A) New budget authority, \$3,700,000,000.
 (B) Outlays, \$3,100,000,000.
 (C) New direct loan obligations, \$1,033,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1998:*
 (A) New budget authority, \$2,900,000,000.
 (B) Outlays, \$2,200,000,000.
 (C) New direct loan obligations, \$1,039,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1999:*
 (A) New budget authority, \$2,600,000,000.
 (B) Outlays, \$1,800,000,000.
 (C) New direct loan obligations, \$1,045,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2000:*
 (A) New budget authority, \$2,500,000,000.
 (B) Outlays, \$1,600,000,000.
 (C) New direct loan obligations, \$1,036,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2001:*
 (A) New budget authority, \$2,700,000,000.
 (B) Outlays, \$1,600,000,000.
 (C) New direct loan obligations, \$1,000,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2002:*
 (A) New budget authority, \$2,400,000,000.
 (B) Outlays, \$1,200,000,000.
 (C) New direct loan obligations, \$1,031,000,000.
 (D) New primary loan guarantee commitments, \$0.
- (5) *Natural Resources and Environment (300):*
Fiscal year 1997:
 (A) New budget authority, \$20,300,000,000.
 (B) Outlays, \$21,500,000.
 (C) New direct loan obligations, \$37,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1998:*
 (A) New budget authority, \$20,000,000,000.
 (B) Outlays, \$20,900,000,000.
 (C) New direct loan obligations, \$41,000,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1999:*
 (A) New budget authority, \$19,900,000,000.
 (B) Outlays, \$20,600,000,000.
 (C) New direct loan obligations, \$38,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2000:*
 (A) New budget authority, \$19,500,000,000.
 (B) Outlays, \$20,100,000,000.
 (C) New direct loan obligations, \$38,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2001:*
 (A) New budget authority, \$19,400,000,000.
 (B) Outlays, \$19,600,000,000.
 (C) New direct loan obligations, \$38,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2002:*
 (A) New budget authority, \$19,300,000,000.
 (B) Outlays, \$19,400,000,000.
 (C) New direct loan obligations, \$38,000,000.
 (D) New primary loan guarantee commitments, \$0.
- (6) *Agriculture (350):*
Fiscal year 1997:
 (A) New budget authority, \$12,800,000,000.
 (B) Outlays, \$11,000,000,000.
 (C) New direct loan obligations, \$7,794,000,000.
 (D) New primary loan guarantee commitments, \$5,870,000,000.
- Fiscal year 1998:*
 (A) New budget authority, \$12,500,000,000.
 (B) Outlays, \$10,600,000,000.
 (C) New direct loan obligations, \$9,346,000,000.
 (D) New primary loan guarantee commitments, \$6,637,000,000.
- Fiscal year 1999:*
 (A) New budget authority, \$12,200,000,000.
 (B) Outlays, \$10,300,000,000.
 (C) New direct loan obligations, \$10,743,000,000.
 (D) New primary loan guarantee commitments, \$6,586,000,000.
- Fiscal year 2000:*
 (A) New budget authority, \$11,500,000,000.
 (B) Outlays, \$9,700,000,000.
 (C) New direct loan obligations, \$10,736,000,000.
 (D) New primary loan guarantee commitments, \$6,652,000,000.
- Fiscal year 2001:*
 (A) New budget authority, \$10,500,000,000.
 (B) Outlays, \$8,700,000,000.
 (C) New direct loan obligations, \$10,595,000,000.
 (D) New primary loan guarantee commitments, \$6,641,000,000.
- Fiscal year 2002:*
 (A) New budget authority, \$10,300,000,000.
 (B) Outlays, \$8,400,000,000.
 (C) New direct loan obligations, \$10,570,000,000.
 (D) New primary loan guarantee commitments, \$6,709,000,000.
- (7) *Commerce and Housing Credit (370):*
Fiscal year 1997:
 (A) New budget authority, \$8,100,000,000.
 (B) Outlays, — \$2,400,000,000.
 (C) New direct loan obligations, \$1,856,000,000.
 (D) New primary loan guarantee commitments, \$197,340,000,000.
- Fiscal year 1998:*
 (A) New budget authority, \$9,600,000,000.
 (B) Outlays, \$5,700,000,000.
 (C) New direct loan obligations, \$1,787,000,000.
 (D) New primary loan guarantee commitments, \$196,750,000,000.
- Fiscal year 1999:*
 (A) New budget authority, \$10,600,000,000.
 (B) Outlays, \$6,100,000,000.
 (C) New direct loan obligations, \$1,763,000,000.
 (D) New primary loan guarantee commitments, \$196,253,000,000.
- Fiscal year 2000:*
 (A) New budget authority, \$12,600,000,000.
 (B) Outlays, \$7,500,000,000.
 (C) New direct loan obligations, \$1,759,000,000.
 (D) New primary loan guarantee commitments, \$195,883,000,000.
- Fiscal year 2001:*
 (A) New budget authority, \$11,400,000,000.
 (B) Outlays, \$7,400,000,000.
 (C) New direct loan obligations, \$1,745,000,000.
 (D) New primary loan guarantee commitments, \$195,375,000,000.
- Fiscal year 2002:*
 (A) New budget authority, \$11,700,000,000.
 (B) Outlays, \$7,400,000,000.
 (C) New direct loan obligations, \$1,740,000,000.
 (D) New primary loan guarantee commitments, \$194,875,000,000.
- (8) *Transportation (400):*
Fiscal year 1997:
 (A) New budget authority, \$42,600,000,000.
 (B) Outlays, \$39,300,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1998:*
 (A) New budget authority, \$43,300,000,000.
 (B) Outlays, \$37,000,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 1999:*
 (A) New budget authority, \$43,800,000,000.
 (B) Outlays, \$35,600,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2000:*
 (A) New budget authority, \$43,500,000,000.
 (B) Outlays, \$34,100,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2001:*
 (A) New budget authority, \$43,700,000,000.
 (B) Outlays, \$33,700,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- Fiscal year 2002:*
 (A) New budget authority, \$44,000,000.
 (B) Outlays, \$33,200,000,000.
 (C) New direct loan obligations, \$15,000,000.
 (D) New primary loan guarantee commitments, \$0.
- (9) *Community and Regional Development (450):*
Fiscal year 1997:
 (A) New budget authority, \$9,900,000,000.
 (B) Outlays, \$10,800,000,000.
 (C) New direct loan obligations, \$1,222,000,000.
 (D) New primary loan guarantee commitments, \$2,133,000,000.
- Fiscal year 1998:*
 (A) New budget authority, \$6,700,000,000.
 (B) Outlays, \$9,500,000,000.
 (C) New direct loan obligations, \$1,242,000,000.
 (D) New primary loan guarantee commitments, \$2,133,000,000.
- Fiscal year 1999:*
 (A) New budget authority, \$6,700,000,000.
 (B) Outlays, \$8,600,000,000.
 (C) New direct loan obligations, \$1,265,000,000.

(D) New primary loan guarantee commitments, \$2,171,000,000.
 Fiscal year 2000:
 (A) New budget authority, \$6,700,000,000.
 (B) Outlays, \$7,700,000,000.
 (C) New direct loan obligations, \$1,288,000,000.
 (D) New primary loan guarantee commitments, \$2,171,000,000.
 Fiscal year 2001:
 (A) New budget authority, \$6,700,000,000.
 (B) Outlays, \$7,200,000,000.
 (C) New direct loan obligations, \$1,317,000,000.
 (D) New primary loan guarantee commitments, \$2,202,000,000.
 Fiscal year 2002:
 (A) New budget authority, \$6,600,000,000.
 (B) Outlays, \$6,700,000,000.
 (C) New direct loan obligations, \$1,343,000,000.
 (D) New primary loan guarantee commitments, \$2,202,000,000.
 (10) Education, Training, Employment, and Social Services (500):
 Fiscal year 1997:
 (A) New budget authority, \$51,400,000,000.
 (B) Outlays, \$51,500,000,000.
 (C) New direct loan obligations, \$16,219,000,000.
 (D) New primary loan guarantee commitments, \$15,469,000,000.
 Fiscal year 1998:
 (A) New budget authority, \$49,000,000,000.
 (B) Outlays, \$48,900,000,000.
 (C) New direct loan obligations, \$19,040,000,000.
 (D) New primary loan guarantee commitments, \$14,760,000,000.
 Fiscal year 1999:
 (A) New budget authority, \$50,200,000,000.
 (B) Outlays, \$49,400,000,000.
 (C) New direct loan obligations, \$21,781,000,000.
 (D) New primary loan guarantee commitments, \$13,854,000,000.
 Fiscal year 2000:
 (A) New budget authority, \$51,000,000,000.
 (B) Outlays, \$50,200,000,000.
 (C) New direct loan obligations, \$22,884,000,000.
 (D) New primary loan guarantee commitments, \$14,589,000,000.
 Fiscal year 2001:
 (A) New budget authority, \$51,800,000,000.
 (B) Outlays, \$50,900,000,000.
 (C) New direct loan obligations, \$23,978,000,000.
 (D) New primary loan guarantee commitments, \$15,319,000,000.
 Fiscal year 2002:
 (A) New budget authority, \$52,600,000,000.
 (B) Outlays, \$51,700,000,000.
 (C) New direct loan obligations, \$25,127,000,000.
 (D) New primary loan guarantee commitments, \$16,085,000,000.
 (11) Health (550):
 Fiscal year 1997:
 (A) New budget authority, \$131,400,000,000.
 (B) Outlays, \$132,400,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$187,000,000.
 Fiscal year 1998:
 (A) New budget authority, \$137,400,000,000.
 (B) Outlays, \$137,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$94,000,000.
 Fiscal year 1999:
 (A) New budget authority, \$144,000,000,000.
 (B) Outlays, \$144,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$152,800,000,000.
 (B) Outlays, \$152,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, \$160,300,000,000.
 (B) Outlays, \$159,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$167,200,000,000.
 (B) Outlays, \$166,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (12) Medicare (570):
 Fiscal year 1997:
 (A) New budget authority, \$193,200,000,000.
 (B) Outlays, \$191,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$205,900,000,000.
 (B) Outlays, \$204,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$216,700,000,000.
 (B) Outlays, \$214,400,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$227,300,000,000.
 (B) Outlays, \$225,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$239,300,000,000.
 (B) Outlays, \$237,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$253,500,000,000.
 (B) Outlays, \$251,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (13) Income Security (600):
 Fiscal year 1997:
 (A) New budget authority, \$232,400,000,000.
 (B) Outlays, \$240,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$241,900,000,000.
 (B) Outlays, \$245,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$246,500,000,000.
 (B) Outlays, \$253,000,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$264,600,000,000.
 (B) Outlays, \$264,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$264,100,000,000.
 (B) Outlays, \$268,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$282,800,000,000.
 (B) Outlays, \$281,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (14) Social Security (650):
 Fiscal year 1997:

(A) New budget authority, \$7,800,000,000.
 (B) Outlays, \$10,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$8,500,000,000.
 (B) Outlays, \$11,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$9,200,000,000.
 (B) Outlays, \$11,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$10,000,000,000.
 (B) Outlays, \$12,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$10,800,000,000.
 (B) Outlays, \$13,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$11,600,000,000.
 (B) Outlays, \$14,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (15) Veterans Benefits and Services (700):
 Fiscal year 1997:
 (A) New budget authority, \$39,000,000,000.
 (B) Outlays, \$39,500,000,000.
 (C) New direct loan obligations, \$935,000,000.
 (D) New primary loan guarantee commitments, \$26,362,000,000.
 Fiscal year 1998:
 (A) New budget authority, \$38,600,000,000.
 (B) Outlays, \$39,300,000,000.
 (C) New direct loan obligations, \$962,000,000.
 (D) New primary loan guarantee commitments, \$25,925,000,000.
 Fiscal year 1999:
 (A) New budget authority, \$38,700,000,000.
 (B) Outlays, \$39,300,000,000.
 (C) New direct loan obligations, \$987,000,000.
 (D) New primary loan guarantee commitments, \$25,426,000,000.
 Fiscal year 2000:
 (A) New budget authority, \$38,700,000,000.
 (B) Outlays, \$40,400,000,000.
 (C) New direct loan obligations, \$1,021,000,000.
 (D) New primary loan guarantee commitments, \$24,883,000,000.
 Fiscal year 2001:
 (A) New budget authority, \$38,800,000,000.
 (B) Outlays, \$37,700,000,000.
 (C) New direct loan obligations, \$1,189,000,000.
 (D) New primary loan guarantee commitments, \$24,298,000,000.
 Fiscal year 2002:
 (A) New budget authority, \$39,000,000,000.
 (B) Outlays, \$39,300,000,000.
 (C) New direct loan obligations, \$1,194,000,000.
 (D) New primary loan guarantee commitments, \$23,668,000,000.
 (16) Administration of Justice (750):
 Fiscal year 1997:
 (A) New budget authority, \$21,700,000,000.
 (B) Outlays, \$20,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$22,300,000,000.
 (B) Outlays, \$21,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$23,300,000,000.
 (B) Outlays, \$22,400,000,000.

(C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2000:
 (A) New budget authority, \$23,300,000,000.
 (B) Outlays, \$23,000,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, \$19,900,000,000.
 (B) Outlays, \$19,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2002:
 (A) New budget authority, \$19,900,000,000.
 (B) Outlays, \$19,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

(17) General Government (800):
 Fiscal year 1997:
 (A) New budget authority, \$13,800,000,000.
 (B) Outlays, \$13,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1998:
 (A) New budget authority, \$13,600,000,000.
 (B) Outlays, \$13,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1999:
 (A) New budget authority, \$13,300,000,000.
 (B) Outlays, \$13,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2000:
 (A) New budget authority, \$13,200,000,000.
 (B) Outlays, \$13,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, \$13,300,000,000.
 (B) Outlays, \$13,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2002:
 (A) New budget authority, \$13,500,000,000.
 (B) Outlays, \$13,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

(18) Net Interest (900):
 Fiscal year 1997:
 (A) New budget authority, \$282,800,000,000.
 (B) Outlays, \$282,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1998:
 (A) New budget authority, \$289,400,000,000.
 (B) Outlays, \$289,400,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1999:
 (A) New budget authority, \$293,200,000,000.
 (B) Outlays, \$293,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2000:
 (A) New budget authority, \$294,700,000,000.
 (B) Outlays, \$294,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, \$298,900,000,000.
 (B) Outlays, \$298,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2002:
 (A) New budget authority, \$303,400,000,000.
 (B) Outlays, \$303,400,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

(19) The corresponding levels of gross interest on the public debt are as follows:
 Fiscal year 1997: \$348,234,000,000.
 Fiscal year 1998: \$351,240,000,000.
 Fiscal year 1999: \$348,465,000,000.
 Fiscal year 2000: \$349,951,000,000.
 Fiscal year 2001: \$351,311,000,000.
 Fiscal year 2002: \$352,756,000,000.

(20) Allowances (920):
 Fiscal year 1997:
 (A) New budget authority, — \$1,600,000,000.
 (B) Outlays, \$800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1998:
 (A) New budget authority, — \$200,000,000.
 (B) Outlays, \$100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1999:
 (A) New budget authority, — \$400,000,000.
 (B) Outlays, — \$300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2000:
 (A) New budget authority, — \$800,000,000.
 (B) Outlays, — \$500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, — \$1,200,000,000.
 (B) Outlays, — \$1,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2002:
 (A) New budget authority, — \$3,700,000,000.
 (B) Outlays, — \$3,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

(21) Undistributed Offsetting Receipts (950):
 Fiscal year 1997:
 (A) New budget authority, — \$43,700,000,000.
 (B) Outlays, — \$43,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1998:
 (A) New budget authority, — \$35,700,000,000.
 (B) Outlays, — \$35,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 1999:
 (A) New budget authority, — \$34,900,000,000.
 (B) Outlays, — \$34,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2000:
 (A) New budget authority, — \$36,700,000,000.
 (B) Outlays, — \$36,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, — \$38,500,000,000.
 (B) Outlays, — \$38,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

Fiscal year 2002:
 (A) New budget authority, — \$40,100,000,000.
 (B) Outlays, — \$40,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.

SEC. 105. RECONCILIATION.

(a) FIRST RECONCILIATION OF SPENDING REDUCTIONS.—
 (1) SENATE COMMITTEES.—Not later than June 14, 1996, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(A) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$1,994,000,000 in fiscal year 1997 and \$29,376,000,000 for the period of fiscal years 1997 through 2002.

(B) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$95,402,000,000 for the period of fiscal years 1997 through 2002.

(b) FINAL RECONCILIATION OF SPENDING REDUCTIONS.—
 (1) SENATE COMMITTEES.—If legislation is enacted pursuant to subsection (a), then no later than July 12, 1996, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(A) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$86,000,000,000 in fiscal year 1997 and \$251,000,000,000 for the period of fiscal years 1997 through 2002.

(B) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$79,000,000,000 in fiscal year 1997 and \$649,000,000,000 for the period of fiscal years 1997 through 2002.

(C) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$3,628,000,000 in fiscal year 1997 and \$3,605,000,000 for the period of fiscal years 1997 through 2002.

(D) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$0 in fiscal year 1997 and \$19,396,000,000 for the period of fiscal years 1997 through 2002.

(E) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$84,000,000 in fiscal year 1997 and \$1,433,000,000 for the period of fiscal years 1997 through 2002.

(F) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment

and Public Works shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$87,000,000 in fiscal year 1997 and \$2,212,000,000 for the period of fiscal years 1997 through 2002.

(G) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$6,716,000,000 in fiscal year 1997 and \$169,707,000,000 for the period of fiscal years 1997 through 2002.

(H) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that reduce the deficit \$955,000,000 in fiscal year 1997 and \$8,789,000,000 for the period of fiscal years 1997 through 2002.

(I) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$0 in fiscal year 1997 and \$476,000,000 for the period of fiscal years 1997 through 2002.

(J) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$725,000,000 in fiscal year 1997 and \$3,097,000,000 for the period of fiscal years 1997 through 2002.

(K) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays \$175,000,000 in fiscal year 1997 and \$5,198,000,000 for the period of fiscal years 1997 through 2002.

(c) RECONCILIATION OF REVENUE REDUCTIONS.—

(1) SENATE COMMITTEE.—If the legislation is enacted pursuant to subsections (a) and (b), then no later than September 18, 1996, the Committee on Finance shall report to the Senate a reconciliation bill proposing changes in laws within its jurisdiction necessary to reduce revenues by not more than \$15,359,000,000 in fiscal year 2002 and \$116,104,000,000 for the period of fiscal years 1997 through 2002 and reduce outlays \$1,692,000,000 in fiscal year 1997 and \$11,524,000,000 for the period of fiscal years 1997 through 2002.

(d) TREATMENT OF RECONCILIATION BILLS FOR PRIOR SURPLUS.—For purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation which reduces revenues pursuant to a reconciliation instruction contained in subsection (c) shall be taken together with all other legislation enacted pursuant to the reconciliation instructions contained in this resolution when determining the deficit effect of such legislation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

- (1) with respect to fiscal year 1997—
 - (A) for the defense category \$266,362,000,000 in new budget authority and \$264,568,000,000 in outlays; and
 - (B) for the nondefense category \$227,845,000,000 in new budget authority and \$270,923,000,000 in outlays;
- (2) with respect to fiscal year 1998—

- (A) for the defense category \$267,831,000,000 in new budget authority and \$262,962,000,000 in outlays; and

- (B) for the nondefense category \$221,322,000,000 in new budget authority and \$258,698,000,000 in outlays;

- (3) with respect to fiscal year 1999, for the discretionary category \$493,221,000,000 in new budget authority and \$525,742,000,000 in outlays;

- (4) with respect to fiscal year 2000, for the discretionary category \$500,037,000,000 in new budget authority and \$525,071,000,000 in outlays;

- (5) with respect to fiscal year 2001, for the discretionary category \$492,468,000,000 in new budget authority and \$517,708,000,000 in outlays; and

- (6) with respect to fiscal year 2002, for the discretionary category \$501,177,000,000 in new budget authority and \$515,979,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) a revision of this resolution or any concurrent resolution on the budget for fiscal year 1998 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year;

(B) any concurrent resolution on the budget for fiscal year 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit for such fiscal year; or

(C) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—

(A) IN GENERAL.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(B) ENFORCEMENT OF DISCRETIONARY LIMITS IN FY 1997.—Until the enactment of reconciliation legislation pursuant to subsections (a) and (b) of section 105 of this resolution and for purposes of the application of paragraph (1), only subparagraph (C) of paragraph (1) shall apply to fiscal year 1997.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. TAX RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates may be reduced and allocations may be revised for legislation that reduces

revenues by providing family tax relief, fuel tax relief, and incentives to stimulate savings, investment, job creation, and economic growth if such legislation will not increase the deficit for—

- (1) fiscal year 1997;
- (2) the period of fiscal years 1997 through 2001; or
- (3) the period of fiscal years 2002 through 2006.

(b) REVISED ALLOCATIONS.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this resolution.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 203. SUPERFUND RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—After the enactment of legislation that reforms the Superfund program and extends Superfund taxes, in the Senate, budget authority and outlays allocated to the Committee on Appropriations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, the appropriate functional levels, the appropriate budget aggregates, and the discretionary spending limits in section 201 of this resolution may be revised to provide additional budget authority and the outlays flowing from that budget authority for the Superfund program, pursuant to this section.

(b) DEFICIT NEUTRAL ADJUSTMENTS.—

(1) ALLOCATIONS.—

(A) COMMITTEE ALLOCATIONS.—In the Senate, upon reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds for the Superfund program in excess of \$1,302,000,000, the chairman of the Committee on the Budget of the Senate may submit revised allocations, functional levels, budget aggregates, and discretionary spending limits to carry out this section that adds to such allocations, levels, aggregates, and limits an amount that is equal to such excess. These revised allocations, levels, aggregates, and limits shall be considered for the purposes of the Congressional Budget Act of 1974 as the allocations, levels, aggregates, and limits contained in this resolution.

(B) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the revision of the allocations pursuant to subparagraph (A).

(2) LIMITATIONS.—The adjustments under this subsection shall not exceed—

(A) the net revenue increase for a fiscal year resulting from the enactment of legislation that extends Superfund taxes; and

(B) \$898,000,000 in budget authority for a fiscal year and the outlays flowing from such budget authority in all fiscal years.

SEC. 204. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974, the determinations under sections 302, 303, 311, and 602 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of sections 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 205. EXERCISE OF RULEMAKING POWERS.

The Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE III—SENSE OF THE CONGRESS, HOUSE OF REPRESENTATIVES, AND SENATE

SEC. 301. SENSE OF THE CONGRESS ON SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1997 budget included \$3,900,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) DEFINITIONS.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 302. SENSE OF THE CONGRESS THAT TAX REDUCTIONS SHOULD BENEFIT WORKING FAMILIES.

It is the sense of the Congress that this concurrent resolution on the budget assumes any reductions in taxes should be structured to benefit working families by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth.

SEC. 303. SENSE OF THE CONGRESS ON A BIPARTISAN COMMISSION ON THE SOLVENCY OF MEDICARE.

(a) FINDINGS.—Congress finds that—

(1) the Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(2) the Trustees of medicare concluded in 1995 that "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range";

(3) preliminary data made available to the Congress indicate that the Hospital Trust Fund will go bankrupt in the year 2001, rather than the year 2002, as predicted last year;

(4) the Public Trustees of medicare have concluded that "the Supplementary Medical Insurance Trust Fund shows a rate of growth of costs which is clearly unsustainable";

(5) the Bipartisan Commission on Entitlement and Tax Reform concluded that, absent long-term changes in medicare, projected medicare outlays will increase from about 4 percent of the payroll tax base today to over 15 percent of the payroll tax base by the year 2030;

(6) the Bipartisan Commission on Entitlement and Tax Reform recommended, by a vote of 30 to 1, that spending and revenues available for medicare must be brought into long-term balance; and

(7) in the most recent Trustees' report, the Public Trustees of medicare "strongly recommend that the crisis presented by the financial condition of the medicare trust funds be ur-

gently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms."

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that in order to meet the aggregates and levels in this budget resolution—

(1) a special bipartisan commission should be established immediately to make recommendations concerning the most appropriate response to the short-term solvency and long-term sustainability issues facing the medicare program; and

(2) the commission should report to Congress its recommendations prior to the adoption of a concurrent budget resolution for fiscal year 1998 in order that the committees of jurisdiction may consider these recommendations in fashioning an appropriate congressional response.

SEC. 304. SENSE OF THE SENATE ON CONSIDERING A CHANGE IN THE MINIMUM WAGE IN THE SENATE.

It is the sense of the Senate that—

(1) proposals to increase the minimum wage have important economic and budgetary consequences, as there are about 3,600,000 workers at or below the minimum wage under current law, according to the Congressional Budget Office ("CBO");

(2) S. 413, a bill to increase the minimum wage, would increase costs for State and local governments by \$1,030,000,000 over the period 1996 to 2000, according to the CBO, and would, therefore, violate section 425(a)(2) of the Congressional Budget Act of 1974 regarding unfunded intergovernmental mandates;

(3) S. 413 would increase costs for the private sector by \$12,300,000,000 over the period 1996 to 2000 and would reduce jobs by between 100,000 and 500,000, according to the CBO;

(4) increasing the minimum wage would have significant interactions with other Federal spending and tax programs, including welfare programs and the earned income credit;

(5) States have the authority to increase the minimum wage in their States, and, as of February 1996, 10 States, plus Puerto Rico and Washington, D.C., had minimum wages above the Federal minimum wage;

(6) although raising the minimum wage will increase incomes for some workers, it is a poorly targeted approach to helping poor and low-income families because—

(A) it will eliminate jobs for some minimum- and low-wage workers;

(B) 85 percent of workers in poor families are paid more than the minimum wage, and nearly 60 percent are paid more than \$5.25 per hour, according to the CBO;

(C) most minimum wage workers are not poor, with some 70 percent in households with incomes above 150 percent of the poverty line, according to the CBO; and

(D) most minimum wage workers do not stay at the minimum wage very long, with two-thirds getting a pay raise within the first year, according to the CBO;

(7) the best approach to increasing wages and incomes for working families is to promote policies that enhance economic growth and job creation, such as increasing net national savings and investment by balancing the Federal budget and promoting private savings and investment through fundamental tax reform;

(8) legislation to change the minimum wage should be considered in the Senate in an orderly manner as part of the regular consideration of matters related to the budget and the economy and not as an unscheduled amendment to unrelated legislation;

(9) there are important issues which should be considered in the same legislation and in conjunction with proposals to raise the minimum wage, such as allowing for improvements in the workplace by enabling cooperative efforts between labor and management as provided for in S. 295, the Team Work for Employees and Management Act of 1995, and maintaining a training

wage to minimize job loss for new entrants into the job market; and

(10) the Senate should schedule consideration of legislation that addresses in the same bill, as a single proposal, the minimum wage and the provisions of S. 295 no later than the month of June 1996.

SEC. 305. SENSE OF THE SENATE ON LONG-TERM PROJECTIONS IN BUDGET ESTIMATES.

It is the sense of the Senate that—

(1) the report accompanying a concurrent resolution on the budget should include an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on revenues and outlays for entitlements for the period of 30 fiscal years; and

(2) the President should include in his budget each year, an analysis of the budget's impact on revenues and outlays for entitlements for the period of 30 fiscal years, and that the President should also include generational accounting information each year in the President's budget.

SEC. 306. SENSE OF THE CONGRESS ON MEDICARE TRANSFERS.

(a) FINDINGS.—The Congress finds that—

(1) home health care provides a broad spectrum of health and social services to approximately 3,500,000 medicare beneficiaries in the comfort of their homes;

(2) the President has proposed reimbursing the first 100 home health care visits after a hospital stay through medicare part A and reimbursing all other visits through medicare part B, shifting responsibility for \$55,000,000,000 of spending from the Hospital Insurance Trust Fund to the general revenues that pay for medicare part B;

(3) such a transfer does nothing to control medicare spending, and is merely a bookkeeping change which artificially extends the solvency of the Hospital Insurance Trust Fund;

(4) this transfer of funds camouflages the need to make changes in the medicare program to ensure the long-term solvency of the Hospital Insurance Trust Fund, which the Congressional Budget Office now states will become bankrupt in the year 2001, a year earlier than projected in the 1995 report by the Trustees of the Social Security and Medicare Trust Funds;

(5) Congress will be breaking a commitment to the American people if it does not act to ensure the solvency of the entire medicare program in both the short- and long-term;

(6) the President's proposal would force those in need of chronic care services to rely upon the availability of general revenues to provide financing for these services, making them more vulnerable to benefits changes than under current law; and

(7) according to the National Association of Home Care, shifting medicare home care payments from part A to part B would deemphasize the importance of home care by eliminating its status as part of the Hospital Insurance Trust Fund, thereby undermining access to the less costly form of care.

(b) SENSE OF CONGRESS.—It is the sense of Congress that in meeting the spending targets specified in the budget resolution, Congress should not accept the President's proposal to transfer spending from one part of medicare to another in its efforts to preserve, protect, and improve the medicare program.

SEC. 307. SENSE OF THE SENATE ON REPEAL OF THE GAS TAX.

(a) FINDINGS.—The Senate finds that—

(1) the President originally proposed a \$72,000,000,000 energy excise tax (the so-called BTU tax) as part of the Omnibus Budget Reconciliation Act of 1993 (OBRA 93) which included a new tax on transportation fuels;

(2) in response to opposition in the Senate to the BTU tax, the President and the Congress adopted instead a new 4.3 cents per gallon transportation fuels tax as part of OBRA 93, which represented a 30 percent increase in the existing motor fuels tax;

(3) the OBRA 93 transportation fuels tax has cost American motorists an estimated \$14,000,000,000 to \$15,000,000,000 since it went into effect on October 1, 1993;

(4) the OBRA 93 transportation fuels tax is regressive, creating a larger financial impact on lower and middle income motorists than on upper income motorists;

(5) the OBRA 93 transportation fuels tax imposes a disproportionate burden on rural citizens who do not have access to public transportation services, and who must rely on their automobiles and drive long distances, to work, to shop, and to receive medical care;

(6) the average American faces a substantial tax burden, and the increase of this tax burden through the OBRA 93 transportation fuels tax represented and continues to represent an inappropriate and unwarranted means of reducing the Nation's budget deficit;

(7) retail gasoline prices in the United States have increased an average of 19 cents per gallon since the beginning of the year to the highest level since the Persian Gulf War, and the OBRA 93 transportation fuels tax exacerbates the impact of this price increase on consumers;

(8) continuation of the OBRA 93 transportation fuels tax will exacerbate the impact on consumers of any future gasoline price spikes that result from market conditions; and

(9) the fiscal year 1997 budget resolution will assume a net tax cut totaling \$122,000,000,000 over six years, which exceeds the revenue impact of a repeal of the OBRA 93 transportation fuels tax, and will establish a reserve fund which may be used to provide other forms of tax relief, including relief from the OBRA 93 transportation fuels tax, on a deficit neutral basis.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue levels and procedures in this resolution provide that—

(1) the Congress and the President should immediately approve legislation to repeal the 4.3 cents per gallon transportation fuels tax contained in the Omnibus Budget Reconciliation Act of 1993 through the end of 1996;

(2) the Congress and the President should approve, through the fiscal year 1997 budget process, legislation to permanently repeal the 4.3 cents per gallon transportation fuels tax contained in the Omnibus Budget Reconciliation Act of 1993; and

(3) the savings generated by the repeal of the 4.3 cents per gallon transportation fuels tax contained in OBRA 93 should be fully passed on to consumers.

SEC. 308. SENSE OF THE SENATE ON MEDICARE TRUSTEES REPORT.

(a) FINDINGS.—The Senate finds that—

(1) the Trustees of the Medicare Hospital Insurance (HI) Trust Fund serve as fiduciaries for one of the Federal Government's most important programs, and as fiduciaries provide critically important information each year to the Congress and the public on the financial status of the Medicare HI Fund;

(2) the Trustees are required to issue a report on the financial status of the Medicare HI Trust Fund by April 1 of each year;

(3) the April 1995 Trustees Report stated that the Medicare HI Trust Fund would go bankrupt in the year 2002, but in 1995 the Congress and the President could not agree on a plan to extend the solvency of the Medicare program;

(4) in 1996, the Congress and the public require timely information on the full and exact nature of Medicare's financial condition in order to understand what actions must be taken to extend the solvency of the Medicare HI Trust Fund; and

(5) despite the April 1 deadline, the 1996 Medicare Trustees Report has not yet been issued, and each day of delay further jeopardizes Congress' ability to respond appropriately to forestall the program's bankruptcy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this budget resolution assume that—

(1) the Medicare Trustees should discharge their fiduciary and statutory responsibilities

and issue their 1996 report as soon as possible; and

(2) in light of the Trustees' delay thus far, the Chief Actuary of the Medicare Trust Fund should share with Congress immediately any preliminary information on the current financial status of the Trust Fund.

SEC. 309. SENSE OF THE CONGRESS REGARDING CHANGES IN THE MEDICARE PROGRAM.

(a) FINDINGS.—Congress finds that, in achieving the spending levels specified in this resolution—

(1) the public trustees of Medicare have concluded that "the Medicare program is clearly unsustainable in its present form";

(2) the President has said his goal is to keep the Medicare hospital insurance trust fund solvent for more than a decade, but his budget transfers \$55,000,000,000 of home health spending from Medicare part A to Medicare part B;

(3) the transfer of home health spending threatens the delivery of home health services to 3.5 million Medicare beneficiaries;

(4) such a transfer increases the burden on general revenues, including income taxes paid by working Americans, by \$55,000,000,000;

(5) such a transfer artificially inflates the solvency of the Medicare hospital insurance trust fund, misleading the Congress, Medicare beneficiaries, and working taxpayers;

(6) the Director of the Congressional Budget Office has certified that, without such a transfer, the President's budget extends the solvency of the hospital insurance trust fund for only one additional year; and

(7) without misleading transfers, the President's budget therefore fails to achieve his own stated goal for the Medicare hospital insurance trust fund.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, in achieving the spending levels specified in this resolution, the Congress assumes that the Congress would—

(1) keep the Medicare hospital insurance trust fund solvent for more than a decade, as recommended by the President; and

(2) accept the President's proposed level of Medicare part B savings of \$44,100,000,000 over the period 1997 through 2002; but would

(3) reject the President's proposal to transfer home health spending from one part of Medicare to another, which threatens the delivery of home health care services to 3.5 million Medicare beneficiaries, artificially inflates the solvency of the Medicare hospital insurance trust fund, and increases the burden on general revenues, including income taxes paid by working Americans, by \$55,000,000,000.

SEC. 310. SENSE OF THE SENATE ON FUNDING TO ASSIST YOUTH AT RISK.

(a) FINDINGS.—The Senate finds that—

(1) there is an increasing prevalence of violence and drug use among this country's youth;

(2) recognizing the magnitude of this problem the Federal Government must continue to maximize efforts in addressing the increasing prevalence of violence and drug use among this country's youth, with necessary adherence to budget guidelines;

(3) the Federal Bureau of Investigation reports that between 1985 and 1994, juvenile arrests for violent crime increased by 75 percent nationwide;

(4) the United States Attorney General reports that 20 years ago, fewer than half our cities reported gang activity and now, a generation later, reasonable estimates indicate that there are more than 500,000 gang members in more than 16,000 gangs on the streets of our cities resulting in more than 580,000 gang-related crimes in 1993;

(5) the Justice Department's Office of Juvenile Justice and Delinquency Prevention reports that in 1994, law enforcement agencies made over 2,700,000 arrests of persons under age 18, with juveniles accounting for 19 percent of all violent crime arrests across the country;

(6) the Congressional Task Force on National Drug Policy recently set forth a series of recommendations for strengthening the criminal

justice and law enforcement effort, including domestic prevention efforts reinforcing the idea that prevention begins at home;

(7) the Office of National Drug Control Policy reports that between 1991 and 1995, marijuana use among 8th, 10th, and 12th graders has increased and is continuing to spiral upward; and

(8) the Center for Substance Abuse Prevention reports that in 1993, substance abuse played a role in over 70 percent of rapes, over 60 percent of incidents of child abuse, and almost 60 percent of murders nationwide.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that—

(1) sufficient funding should be provided to programs which assist youth at risk to reduce illegal drug use and the incidence of youth crime and violence;

(2) priority should be given to determine "what works" through scientifically recognized, independent evaluations of existing programs to maximize the Federal investment; and

(3) efforts should be made to ensure coordination and eliminate duplication among federally supported at-risk youth programs.

SEC. 311. SENSE OF THE SENATE REGARDING THE USE OF BUDGETARY SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) in August of 1994, the Bipartisan Commission on Entitlement and Tax Reform issued an Interim Report to the President, which found that, "To ensure that today's debt and spending commitments do not unfairly burden America's children, the Government must act now. A bipartisan coalition of Congress, led by the President, must resolve the long-term imbalance between the Government's entitlement promises and the funds it will have available to pay for them";

(2) unless the Congress and the President act together in a bipartisan way, overall Federal spending is projected by the Commission to rise from the current level of slightly over 22 percent of the Gross Domestic Product of the United States (hereafter in this section referred as "GDP") to over 37 percent of GDP by the year 2030;

(3) the source of that growth is not domestic discretionary spending, which is approximately the same portion of GDP now as it was in 1969, the last time at which the Federal budget was in balance;

(4) mandatory spending was only 29.6 percent of the Federal budget in 1963, but is estimated to account for 72 percent of the Federal budget in the year 2003;

(5) social security, Medicare and Medicaid, together with interest on the national debt, are the largest sources of the growth of mandatory spending;

(6) ensuring the long-term future of the social security system is essential to protecting the retirement security of the American people;

(7) the Social Security Trust Fund is projected to begin spending more than it takes in by approximately the year 2013, with Federal budget deficits rising rapidly thereafter unless appropriate policy changes are made;

(8) ensuring the future of Medicare and Medicaid is essential to protecting access to high-quality health care for senior citizens and poor women and children;

(9) Federal health care expenses have been rising at double digit rates, and are projected to triple to 11 percent of GDP by the year 2030 unless appropriate policy changes are made; and

(10) due to demographic factors, Federal health care expenses are projected to double by the year 2030, even if health care cost inflation is restrained after 1999, so that costs for each person of a given age grow no faster than the economy.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens and poor Americans by ensuring the long-term future of medicare and medicaid; and

(3) to restore and maintain Federal budget discipline, to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

SEC. 312. SENSE OF THE SENATE REGARDING THE TRANSFER OF EXCESS GOVERNMENT COMPUTERS TO PUBLIC SCHOOLS.

(a) *ASSUMPTIONS.*—The figures contained in this resolution are based on the following assumptions:

(1) America's children must obtain the necessary skills and tools needed to succeed in the technologically advanced 21st century;

(2) Executive Order 12999 outlines the need to make modern computer technology an integral part of every classroom, provide teachers with the professional development they need to use new technologies effectively, connect classrooms to the National Information Infrastructure, and encourage the creation of excellent education software;

(3) many private corporations have donated educational software to schools, which are lacking the necessary computer hardware to utilize this equipment;

(4) current inventories of excess Federal Government computers are being conducted in each Federal agency; and

(5) there is no current communication being made between Federal agencies with this excess equipment and the schools in need of these computers.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that the functional totals and reconciliation instructions in this budget resolution assume that the General Services Administration should place a high priority on facilitating direct transfer of excess Federal Government computers to public schools and community-based educational organizations.

SEC. 313. SENSE OF THE SENATE ON FEDERAL RETREATS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that all Federal agencies will refrain from using Federal funds for expenses incurred during training sessions or retreats off of Federal property, unless Federal property is not available.

SEC. 314. SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) *FINDINGS.*—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that the essential air service program

of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

SEC. 315. SENSE OF THE SENATE REGARDING EQUAL RETIREMENT SAVINGS FOR HOMEMAKERS.

(a) *FINDINGS.*—The Senate finds that the assumptions of this budget resolution take into account that—

(1) by teaching and feeding our children and caring for our elderly, American homemakers are an important, vital part of our society;

(2) homemakers retirement needs are the same as all Americans, and thus they need every opportunity to save and invest for retirement;

(3) because they are living on a single income, homemakers and their spouses often have less income for savings;

(4) individual retirement accounts are provided by the Congress in the Internal Revenue Code to assist Americans for retirement savings;

(5) currently, individual retirement accounts permit workers other than homemakers to make deductible contributions of \$2,000 a year, but limit homemakers to deductible contributions of \$250 a year;

(6) limiting homemakers individual retirement account contributions to an amount less than the contributions of other workers discriminates against homemakers.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that the revenue level assumed in this budget resolution provides for legislation to make individual retirement account deductible contribution limits for homemakers equal to the individual retirement account deductible contribution limits for all other American workers, and that the Congress and the President should immediately approve such legislation in the appropriate reconciliation vehicle.

SEC. 316. SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTE OF DRUG ABUSE.

(a) *FINDINGS.*—Congress finds the following:

(1) The National Institute on Drug Abuse (hereafter referred to in this section as "NIDA") a part of the National Institutes of Health (hereafter referred to in this section as "NIH") supports over 85 percent of the world's drug abuse research that has totally revolutionized our understanding of addiction.

(2) One of NIDA's most significant areas of research has been the identification of the neurobiological bases of all aspects of addiction, including craving.

(3) In 1993, NIDA announced that approval had been granted by the Food and Drug Administration of a new medication for the treatment of heroin and other opiate addiction which breaks the addict of daily drug-seeking behavior and allows for greater compliance because the patient does not need to report to a clinic each day to have the medication administered.

(4) Among NIDA's most remarkable accomplishments of the past year is the successful immunization of animals against the psycho-stimulant effects of cocaine.

(5) NIDA has also recently announced that it is making substantial progress that is critical in directing their efforts to identify potential anti-cocaine medications. For example, NIDA researchers have recently shown that activation in the brain of one type of dopamine receptor suppresses drug-seeking behavior and relapse, whereas activation of another, triggers drug-seeking behavior.

(6) NIDA's efforts to speed up research to stem the tide of drug addiction is in the best interest of all Americans.

(7) State and local governments spend billions of dollars to incarcerate persons who commit drug related offenses.

(8) A 1992 National Report by the Bureau of Justice Statistics revealed that more than 3 out of 4 jail inmates reported drug use in their life-

time, more than 40 percent had used drugs in the month before their offense with 27 percent under the influence of drugs at the time of their offense. A significant number said they were trying to get money for drugs when they committed their crime.

(9) More than 60 percent of juveniles and young adults in State-operated juvenile institutions reported using drugs once a week or more for at least a month some time in the past, and almost 40 percent reported being under the influence of drugs at the time of their offense.

(10) This concurrent resolution proposes that budget authority for the NIH (including NIDA) be held constant at the fiscal year 1996 level of \$11,950,000,000 through fiscal year 2002.

(11) At such appropriation level, it would be impossible for NIH and NIDA to maintain research momentum through research project grants.

(12) Level funding for NIH in fiscal year 1997 would reduce the number of competing research project grants by nearly 500, from 6,620 in fiscal year 1996 to approximately 6,120 competing research project grants, reducing NIH's ability to maintain research momentum and to explore new ideas in research.

(13) NIH is the world's preeminent research institution dedicated to the support of science inspired by and focused on the challenges of human illness and health.

(14) NIH programs are instrumental in improving the quality of life for Americans through improving health and reducing monetary and personal costs of illnesses.

(15) The discovery of an anti-addiction drug to block the craving of illicit addictive substances will benefit all of American society.

(b) *SENSE OF THE CONGRESS.*—It is the sense of the Congress that amounts appropriated for the National Institutes of Health—

(1) for fiscal year 1997 should be increased by a minimum of \$33,000,000;

(2) for fiscal year 1998 should be increased by a minimum of \$67,000,000;

(3) for fiscal year 1999 should be increased by a minimum of \$100,000,000;

(4) for fiscal year 2000 should be increased by a minimum of \$100,000,000;

(5) for fiscal year 2001 should be increased by a minimum of \$100,000,000; and

(6) for fiscal year 2002 should be increased by a minimum of \$100,000,000;

above its fiscal year 1996 appropriation for additional research into an anti-addiction drug to block the craving of illicit addictive substances.

SEC. 317. SENSE OF THE SENATE REGARDING THE EXTENSION OF THE EMPLOYER EDUCATION ASSISTANCE EXCLUSION UNDER SECTION 127 OF THE INTERNAL REVENUE CODE OF 1986.

(a) *FINDINGS.*—The Senate finds that—

(1) since 1978, over 7,000,000 American workers have benefited from the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 by being able to improve their education and acquire new skills without having to pay taxes on the benefit;

(2) American companies have benefited by improving the education and skills of their employees who in turn can contribute more to their company;

(3) the American economy becomes more globally competitive because an educated workforce is able to produce more and to adapt more rapidly to changing technologies;

(4) American companies are experiencing unprecedented global competition and the value and necessity of life-long education for their employees has increased;

(5) the employer education assistance exclusion was first enacted in 1978;

(6) the exclusion has been extended 7 previous times;

(7) the last extension expired December 31, 1994; and

(8) the exclusion has received broad bipartisan support.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that the revenue level assumed in the Budget Resolution accommodate an extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 from January 1, 1995, through December 31, 1996.

SEC. 318. SENSE OF THE SENATE REGARDING THE ECONOMIC DEVELOPMENT ADMINISTRATION PLACING HIGH PRIORITY ON MAINTAINING FIELD-BASED ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) *FINDINGS.*—The Senate makes the following findings:

(1) The Economic Development Administration plays a crucial role in helping economically disadvantaged regions of the United States develop infrastructure that supports and promotes greater economic activity and growth, particularly in nonurban regions.

(2) The Economic Development Administration helps to promote industrial park development, business incubators, water and sewer system improvements, vocational and technical training facilities, tourism development strategies, technical assistance and capacity building for local governments, economic adjustment strategies, revolving loan funds, and other projects which the private sector has not generated or will not generate without some assistance from the Government through the Economic Development Administration.

(3) The Economic Development Administration maintains 6 regional offices which oversee staff that are designated field-based representatives of the Economic Development Administration, and these field-based representatives provide valuable expertise and counseling on economic planning and development to nonurban communities.

(4) The Economic Development Administration Regional Centers are located in the urban areas of Austin, Seattle, Denver, Atlanta, Philadelphia, and Chicago.

(5) Because of a 37-percent reduction in approved funding for salaries and expenses from fiscal year 1995, the Economic Development Administration has initiated staff reductions requiring the elimination of 8 field-based positions. The field-based economic development representative positions that are either being eliminated or not replaced after voluntary retirement and which currently interact with nonurban communities on economic development efforts cover the States of New Mexico, Arizona, Nevada, North Dakota, Oklahoma, Illinois, Indiana, Maine, Connecticut, Rhode Island, and North Carolina.

(6) These staff cutbacks will adversely affect States with very low per-capita personal income, including New Mexico which ranks 47th in the Nation in per-capita personal income, Oklahoma ranking 46th, North Dakota ranking 42nd, Arizona ranking 35th, Maine ranking 34th, and North Carolina ranking 33rd.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that the functional totals and reconciliations instructions underlying this budget resolution assume that—

(1) it is regrettable that the Economic Development Administration has elected to reduce field-based economic development representatives who are fulfilling the Economic Development Administration's mission of interacting with and counseling nonurban communities in economically disadvantaged regions of the United States;

(2) the Economic Development Administration should take all necessary and appropriate actions to ensure that field-based economic development representation receives high priority; and

(3) the Economic Development Administration should reconsider the planned termination of field-based economic development representatives responsible for States that are economically disadvantaged, and that this reconsideration take place without delay.

SEC. 319. SENSE OF THE SENATE REGARDING REVENUE ASSUMPTIONS.

(a) *FINDINGS.*—The Congress finds the following:

(1) Corporations and individuals have clear responsibility to adhere to environmental laws. When they do not, and environmental damage results, the Federal and State governments may impose fines and penalties, and assess polluters for the cost of remediation.

(2) Assessment of these costs is important in the enforcement process. They appropriately penalize wrongdoing. They discourage future environmental damage. They ensure that taxpayers do not bear the financial brunt of cleaning up after damages done by polluters.

(3) In the case of the Exxon Valdez oil spill disaster in Prince William Sound, Alaska, for example, the corporate settlement with the Federal Government totaled \$900,000,000.

(b) *SENSE OF THE SENATE.*—It is the sense of the Senate that assumptions in this resolution assume an appropriate amount of revenues per year through legislation that will not allow deductions for fines and penalties arising from a failure to comply with Federal or State environmental or health protection laws.

SEC. 320. SENSE OF THE SENATE REGARDING DOMESTIC VIOLENCE.

The assumptions underlying functional totals and reconciliation instructions in this budget resolution include:

(1) *FINDINGS.*—The Senate finds that:

(A) Violence against women is the leading cause of physical injury to women. The Department of Justice estimates that over 1 million violent crimes against women are committed by domestic partners annually.

(B) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one-quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(C) Domestic violence is often intensified as women seek to gain economic independence through attending school or job training programs. Batterers have been reported to prevent women from attending such programs or sabotage their efforts at self-improvement.

(D) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Document, for the first time, the interrelationship between domestic violence and welfare by showing that between 50 percent and 80 percent of women in welfare to work programs are current or past victims of domestic violence.

(E) The American Psychological Association has reported that violence against women is usually witnessed by their children, who as a result can suffer severe psychological, cognitive and physical damage and some studies have found that children who witness violence in their homes have a greater propensity to commit violent acts in their homes and communities when they become adults.

(F) Over half of the women surveyed by the Taylor Institute stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in women's ability to leave abusive situations that threaten themselves and their children.

(G) Proposals to restructure the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(2) *SENSE OF THE SENATE.*—It is the sense of the Senate that:

(A) No welfare reform provision should be enacted by Congress unless and until Congress considers whether such welfare reform provisions would exacerbate violence against women and their children, further endanger women's lives, make it more difficult for women to escape

domestic violence, or further punish women victimized by violence.

(B) Any welfare reform measure enacted by Congress should require that any welfare to work, education, or job placement programs implemented by the States address the impact of domestic violence on welfare recipients.

SEC. 321. SENSE OF SENATE REGARDING STUDENT LOANS

(a) *FINDINGS.*—The Senate finds that—

(1) over the last 60 years, education and advancements in knowledge have accounted for 37 percent of our nation's economic growth;

(2) a college degree significantly increases job stability, resulting in an unemployment rate among college graduates less than half that of those with high school diplomas;

(3) a person with a bachelor's degree will average 50-55 percent more in lifetime earnings than a person with a high school diploma;

(4) education is a key to providing alternatives to crime and violence, and is a cost-effective strategy for breaking cycles of poverty and moving welfare recipients to work;

(5) a highly educated populace is necessary to the effective functioning of democracy and to a growing economy, and the opportunity to gain a college education helps advance the American ideals of progress and social equality;

(6) a highly educated and flexible work force is an essential component of economic growth and competitiveness;

(7) for many families, Federal Student Aid Programs make the difference in the ability of students to attend college;

(8) in 1994, nearly 6 million postsecondary students received some kind of financial assistance to help them pay for the costs of schooling;

(9) since 1988, college costs have risen by 54 percent, and student borrowing has increased by 219 percent; and

(10) in fiscal year 1996, the Balanced Budget Act achieved savings without reducing student loan limits or increasing fees to students or parents.

(b) *SENSE OF SENATE.*—It is the sense of the Senate that the aggregates and functional levels included in this budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans.

SEC. 322. SENSE OF THE SENATE REGARDING REDUCTION OF THE NATIONAL DEBT.

(a) The Senate finds that—

(1) S. Con. Res. 57 projects a public debt in fiscal year 1997 of \$5,400,000,000,000;

(2) S. Con. Res. 57 projects that the public debt will be \$6,500,000,000,000 in the fiscal year 2002 when the budget resolution projects a unified budget surplus; and

(3) this accumulated debt represents a significant financial burden that will require excessive taxation and lost economic opportunity for future generations of the United States.

(b) It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that is agreed to by the Congress and the President shall also contain a strategy for reducing the national debt of the United States.

SEC. 323. SENSE OF THE SENATE REGARDING HUNGRY OR HOMELESS CHILDREN.

(a) It is the sense of the Senate that the assumptions in this budget resolution assume that Congress will not enact or adopt any legislation that would increase the number of children who are hungry or homeless.

(b) It is the sense of the Senate that the assumptions in this budget resolution assume that in the event legislation enacted to comply with this resolution results in an increase in the number of hungry or homeless children by the end of fiscal year 1997, the Congress would revisit the provisions of said legislation which caused such increase and would, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

SEC. 324. SENSE OF THE SENATE ON LIHEAP.

(a) **FINDINGS**—The Senate finds that:

(1) Home energy assistance for working and low-income families with children, the elderly on fixed incomes, the disabled, and others who need such aid is a critical part of the social safety net in cold-weather areas during the winter, and a source of necessary cooling aid during the summer;

(2) LIHEAP is a highly targeted, cost-effective way to help millions of low-income Americans pay their home energy bills. More than two-thirds of LIHEAP-eligible households have annual incomes of less than \$8,000, more than one-half have annual incomes below \$6,000; and

(3) LIHEAP funding has been substantially reduced in recent years, and cannot sustain further spending cuts if the program is to remain a viable means of meeting the home heating and other energy-related needs of low-income families, especially those in cold-weather States.

(b) **SENSE OF THE SENATE**—The assumptions underlying this budget resolution assume that it is the sense of the Senate that the funds made available for LIHEAP for fiscal year 1997 will be not less than the actual expenditures made for LIHEAP in fiscal year 1996.

SEC. 325. SENSE OF THE CONGRESS REGARDING ADDITIONAL CHARGES UNDER THE MEDICARE PROGRAM.

(a) **FINDINGS**—Congress finds that—

(1) senior citizens must spend more than 1 dollar in 5 of their limited incomes to purchase the health care they need;

(2) 2/3 of spending under the medicare program under title XVIII of the Social Security Act is for senior citizens with annual incomes of less than \$15,000;

(3) senior citizens cannot afford physician fee mark-ups that are not covered under the medicare program or premium overcharges; and

(4) senior citizens enrolling in private insurance plans receiving medicare capitation payments are currently protected against excess charges by health providers and additional premium charges by the plan for services covered under the medicare program.

(b) **SENSE OF THE CONGRESS**—It is the sense of the Congress that any reconciliation bill considered during the second session of the 104th Congress should maintain the existing prohibitions against additional charges by providers under the medicare program under title XVIII of the Social Security Act ("balance billing"), and any premium surcharges for services covered under such program that are levied on senior citizens enrolled in private insurance plans in lieu of conventional medicare.

SEC. 326. SENSE OF THE CONGRESS REGARDING NURSING HOME STANDARDS.

(a) **FINDINGS**—Congress finds that—

(1) prior to the enactment of subtitle C of title IV of the Omnibus Budget Reconciliation Act of 1987, deplorable conditions and shocking abuse of senior citizens and the disabled in nursing homes was widespread; and

(2) the enactment and implementation of such subtitle has brought major improvements in nursing home conditions and substantially reduced abuse of senior citizens.

(b) **SENSE OF THE CONGRESS**—It is the sense of the Congress that any reconciliation bill considered during the second session of the 104th Congress should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards.

SEC. 327. SENSE OF THE CONGRESS CONCERNING NURSING HOME CARE.

(a) **FINDINGS**—Congress finds that—

(1) under current Federal law—

(A) protections are provided under the medicare program under title XIX of the Social Security Act to prevent the impoverishment of spouses of nursing home residents;

(B) prohibitions exist under such program to prevent the charging of adult children of nursing home residents for the cost of the care of such residents;

(C) prohibitions exist under such program to prevent a State from placing a lien against the home of a nursing home resident, if that home was occupied by a spouse or dependent child; and

(D) prohibitions exist under such program to prevent a nursing home from charging amounts above the medicaid recognized charge for medicaid patients or requiring a commitment to make private payments prior to receiving medicaid coverage as a condition of admission; and

(2) family members of nursing home residents are generally unable to afford the high cost of nursing home care, which ranges between \$30,000 and \$60,000 a year.

(b) **SENSE OF THE CONGRESS**—It is the sense of the Congress that provisions of the medicaid program under title XIX of the Social Security Act that protect families of nursing home residents from experiencing financial ruin as the price of securing needed care for their loved ones should be retained, including—

(1) spousal impoverishment rules;

(2) prohibitions against charging adult children of nursing home patients for the cost of their care;

(3) prohibitions against liens on the homes of nursing home residents occupied by a spouse or dependent child; and

(4) prohibitions against nursing homes requiring private payments prior to medicaid coverage as a condition of admission or allowing charges in addition to medicaid payments for covered patients.

SEC. 328. SENSE OF THE CONGRESS REGARDING REQUIREMENTS THAT WELFARE RECIPIENTS BE DRUG-FREE.

In recognition of the fact that American workers are required to be drug-free in the workplace, it is the sense of the Congress that this concurrent resolution on the budget assumes that the States may require welfare recipients to be drug-free as a condition for receiving such benefits and that random drug testing may be used to enforce such requirements.

SEC. 329. SENSE OF THE SENATE ON DAVIS-BACON.

Notwithstanding any provision of the committee report on this resolution, it is the sense of the Senate that the provisions in this resolution do not assume the repeal of the Davis-Bacon Act.

SEC. 330. SENSE OF THE SENATE ON DAVIS-BACON.

Notwithstanding any provision of the committee report on this resolution, it is the sense of the Senate that the provisions in this resolution assume reform of the Davis-Bacon Act.

SEC. 331. SENSE OF CONGRESS ON REIMBURSEMENT OF THE UNITED STATES FOR OPERATIONS SOUTHERN WATCH AND PROVIDE COMFORT.

(a) **FINDINGS**—The Congress finds that—

(1) as of May 1996, the United States has spent \$2,937,000,000 of United States taxpayer funds since the conclusion of the Gulf War in 1991 for the singular purpose of protecting the Kurdish and Shiite population from Iraqi aggression;

(2) the President's defense budget request for 1997 includes an additional \$590,100,000 for Operations Southern Watch and Provide Comfort, both of which are designed to restrict Iraqi military aggression against the Kurdish and Shiite people of Iraq;

(3) costs for these military operations constitute part of the continued budget deficit of the United States; and

(4) United Nations Security Council Resolution 986 (1995) (referred to as "SCR 986") would allow Iraq to sell up to \$1,000,000,000 in petroleum and petroleum products every 90 days, for an initial period of 180 days.

(b) **SENSE OF THE CONGRESS**—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution assume that—

(1) the President should instruct the United States Permanent Representative to the United

Nations to ensure any subsequent extension of authority beyond the 180 days originally provided by SCR 986, specifically mandates and authorizes the reimbursement of the United States for costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum or petroleum-related products originating from Iraq;

(2) in the event that the United States Permanent Representative to the United Nations fails to modify the terms of any subsequent resolution extending the authority granted by SCR 986 as called for in paragraph (1), the President should reject any United Nations' action or resolution seeking to extend the terms of the oil sale beyond the 180 days authorized by SCR 986;

(3) the President should take the necessary steps to ensure that—

(A) any effort by the United Nations to temporarily lift the trade embargo for humanitarian purposes, specifically the sale of petroleum or petroleum products, restricts all revenues from such sale from being diverted to benefit the Iraqi military; and

(B) the temporary lifting of the trade embargo does not encourage other countries to take steps to begin promoting commercial relations with the Iraqi military in expectation that sanctions will be permanently lifted; and

(4) revenues reimbursed to the United States from the oil sale authorized by SCR 986, or any subsequent action or resolution, should be used to reduce the Federal budget deficit.

SEC. 332. ACCURATE INDEX FOR INFLATION.

(a) **FINDINGS**—The Senate finds that—

(1) a significant portion of Federal expenditures and revenues are indexed to measurements of inflation; and

(2) a variety of inflation indices exist which vary according to the accuracy with which such indices measure increases in the cost of living; and

(3) Federal Government usage of inflation indices which overstate true inflation has the demonstrated effect of accelerating Federal spending, increasing the Federal budget deficit, increasing Federal borrowing, and thereby enlarging the projected burden on future American taxpayers.

(b) **SENSE OF THE SENATE**—It is the sense of the Senate that the assumptions underlying this budget resolution include that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal Government.

SEC. 333. SENSE OF THE SENATE ON SOLVENCY OF THE MEDICARE TRUST FUND.

(a) **FINDINGS**—The Senate finds that repeal of certain provisions from the Omnibus Budget Reconciliation Act of 1993 would move the insolvency date of the HI (Medicare) Trust Fund forward by a full year.

(b) **SENSE OF THE SENATE**—It is the sense of the Senate that no provisions in this Budget Resolution should worsen the solvency of the Medicare Trust Fund.

SEC. 334. SENSE OF THE CONGRESS THAT THE 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS SHOULD BE REPEALED.

(a) **FINDINGS**—Congress finds that the assumptions underlying this resolution include that—

(1) the fiscal year 1994 budget proposal of President Clinton to raise Federal income taxes on the Social Security benefits of senior citizens with income as low as \$25,000, and those provisions of the fiscal year 1994 recommendations of the Budget Resolution and the 1993 Omnibus Budget Reconciliation Act in which the One Hundred Third Congress voted to raise Federal income taxes on the Social Security benefits of senior citizens with income as low as \$34,000 should be repealed;

(2) the Senate Budget Resolution should reflect President Clinton's statement that he believed he raised Federal taxes too much in 1993; and

(3) the Budget Resolution should react to President Clinton's fiscal year 1997 budget which documents the fact that in the history of the United States, the total tax burden has never been greater than it is today, therefore

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the assumptions underlying this Resolution include—

(1) that raising Federal income taxes in 1993 on the Social Security benefits of middle-class individuals with income as low as \$34,000 was a mistake;

(2) that the Federal income tax hike on Social Security benefits imposed in 1993 by the One Hundred Third Congress and signed into law by President Clinton should be repealed; and

(3) President Clinton should work with the Congress to repeal the 1993 Federal income tax hike on Social Security benefits in a manner that would not adversely affect the Social Security Trust Fund or the Medicare Part A Trust Fund, and should ensure that such repeal is coupled with offsetting reductions in Federal spending.

SEC. 335. SENSE OF THE SENATE REGARDING THE ADMINISTRATION'S PRACTICE REGARDING THE PROSECUTION OF DRUG SMUGGLERS.

(a) FINDINGS.—The Senate finds that—

(1) drug use is devastating to the Nation, particularly among juveniles, and has led juveniles to become involved in interstate gangs and to participate in violent crime;

(2) drug use has experienced a dramatic resurgence among our youth;

(3) the number of youths aged 12-17 using marijuana has increased from 1.6 million in 1992 to 2.9 million in 1994, and the category of "recent marijuana use" increased a staggering 200 percent among 14- to 15-year-olds over the same period;

(4) since 1992, there has been a 52 percent jump in the number of high school seniors using drugs on a monthly basis, even as worrisome declines are noted in peer disapproval of drug use;

(5) 1 in 3 high school students uses marijuana;

(6) 12- to 17-year-olds who use marijuana are 85 percent more likely to graduate to cocaine than those who abstain from marijuana;

(7) juveniles who reach 21 without ever having used drugs almost never try them later in life;

(8) the latest results from the Drug Abuse Warning Network show that marijuana-related episodes jumped 39 percent and are running at 155 percent above the 1990 level, and that methamphetamine cases have risen 256 percent over the 1991 level;

(9) between February 1993 and February 1995 the retail price of a gram of cocaine fell from \$172 to \$137, and that of a gram of heroin also fell from \$2,032 to \$1,278;

(10) it has been reported that the Department of Justice, through the United States Attorney for the Southern District of California, has adopted a policy of allowing certain foreign drug smugglers to avoid prosecution altogether by being released to Mexico;

(11) it has been reported that in the past year approximately 2,300 suspected narcotics traffickers were taken into custody for bringing illegal drugs across the border, but approximately one in four were returned to their country of origin without being prosecuted;

(12) it has been reported that the United States Customs Service is operating under guidelines limiting any prosecution in marijuana cases to cases involving 125 pounds of marijuana or more;

(13) it has been reported that suspects possessing as much as 32 pounds of methamphetamine and 37,000 Quaalude tablets, were not prosecuted but were, instead, allowed to return to their countries of origin after their drugs and vehicles were confiscated;

(14) it has been reported that after a seizure of 158 pounds of cocaine, one defendant was cited and released because there was no room at the Federal jail and charges against here were dropped;

(15) it has been reported that some smugglers have been caught two or more times—even in the same week—yet still were not prosecuted;

(16) the number of defendants prosecuted for violations of the Federal drug laws has dropped from 25,033 in 1992 to 22,926 in 1995;

(17) this Congress has increased the funding of the Federal Bureau of Prisons by 11.7 percent over the 1995 appropriations level; and

(18) this Congress has increased the funding of the Immigration and Naturalization Service by 23.5 percent over the 1995 appropriations level.

(b) SENSE OF SENATE.—It is the sense of the Senate that—(1) the functional totals underlying this resolution assume that the Attorney General promptly should investigate this matter and report, within 30 days, to the Chair of the Senate and House Committees on the Judiciary; and

(2) the Attorney General should ensure that cases involving the smuggling of drugs into the United States are vigorously prosecuted.

SEC. 336. CORPORATE SUBSIDIES AND SALE OF GOVERNMENT ASSETS.

(a) CORPORATE SUBSIDIES.—It is the sense of the Senate that the functional levels and aggregates in this budget resolution assume that—

(1) the Federal budget contains tens of billions of dollars in payments, benefits and programs that primarily assist profit-making enterprises and industries rather than provide a clear and compelling public interest;

(2) corporate subsidies can provide unfair competitive advantages to certain industries and industry segments;

(3) at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden; and

(4) Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, should be reformed or terminated in order to provide additional tax relief, deficit reduction, or to achieve the savings necessary to meet this resolution's instructions and levels.

(b) SALE OF GOVERNMENT ASSETS.—

(1) BUDGETARY TREATMENT.—

(A) IN GENERAL.—For the purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from the sale of an asset shall be scored with respect to the level of budget authority, outlays, or revenues if such sale would cause an increase in the deficit as calculated pursuant to subparagraph (B).

(B) CALCULATION OF NET PRESENT VALUE.—The deficit estimate of an asset sale shall be the net present value of the cash flow from—

(i) proceeds from the asset sale;

(ii) future receipts that would be expected from continued ownership of the asset by the Government; and

(iii) expected future spending by the Government at a level necessary to continue to operate and maintain the asset to generate the receipts estimated pursuant to clause (ii).

(2) DEFINITIONS.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(3) TREATMENT OF LOAN ASSETS.—For the purposes of this subsection, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 337. SENSE OF THE SENATE ON THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that when the Finance Committee meets its outlay and revenue obligations under this resolution the committee should not make any changes in the Presidential Election

Campaign Fund or its funding mechanism and should meet its revenue and outlay targets through other programs within its jurisdiction.

SEC. 338. SENSE OF THE SENATE REGARDING WELFARE REFORM.

(a) The Senate finds that—

(1) S. Con. Res. 57 assumes substantial savings from welfare reform; and

(2) children born out of wedlock are five times more likely to be poor and about ten times more likely to be extremely poor and therefore are more likely to receive welfare benefits than children from two parent families; and

(3) high rates of out-of-wedlock births are associated with a host of other social pathologies; for example, children of single mothers are twice as likely to drop out of high school; boys whose fathers are absent are more likely to engage in criminal activities; and girls in single-parent families are three times more likely to have children out of wedlock themselves; therefore

(b) It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that includes welfare reform provisions and that is agreed to by the Congress and the President shall also contain to the maximum extent possible a strategy for reducing the rate of out-of-wedlock births and encouraging family formation.

SEC. 339. A RESOLUTION REGARDING THE SENATE'S SUPPORT FOR FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT.

(a) FINDINGS.—The Senate finds that—

(1) our Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security;

(2) law enforcement officers deserve our appreciation and support;

(3) law enforcement officers and agencies are under increasing attacks, both to their physical safety and to their reputations;

(4) Federal, State, and local law enforcement efforts need increased financial commitment from the Federal Government for funding and financial assistance and not the slashing of our commitment to law enforcement if they are to carry out their efforts to combat violent crime;

(5) the President's fiscal year 1996 budget requested an increase of 14.8 percent for the Federal Bureau of Investigation, 10 percent for United States Attorneys, and \$4,000,000 for Organized Crime Drug Enforcement Task Forces; while this Congress has increased funding for the Federal Bureau of Investigation by 10.8 percent, 8.4 percent for United States Attorneys, and a cut of \$15,000,000 for Organized Crime Drug Enforcement Task Forces;

(6) on May 16, 1996, the House of Representatives has nonetheless voted to slash \$300,000,000 from the President's \$5,000,000,000 budget request for the Violent Crime Reduction Trust Fund for fiscal year 1997 in House Concurrent Resolution 178; and

(7) the Violent Crime Reduction Trust Fund as adopted by the Violent Crime Control and Law Enforcement Act of 1994 fully funds the Violent Crime Control and Law Enforcement Act of 1994 without adding to the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions and the functional totals underlying this resolution assume the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts shall be maintained and funding for the Violent Crime Reduction Trust Fund shall not be cut as the resolution adopted by the House of Representatives would require.

SEC. 340. SENSE OF THE SENATE REGARDING THE FUNDING OF AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) a capital funding stream is essential to the ability of the National Rail Passenger Corporation ("Amtrak") to reduce its dependence on Federal operating support; and

(2) Amtrak needs a secure source of financing, no less favorable than provided to other modes of transportation, for capital improvements.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) revenues attributable to one-half cent per gallon of the excise taxes imposed on gasoline, special motor fuel, and diesel fuel from the Mass Transit Account should be dedicated to a new Intercity Passenger Rail Trust Fund during the period January 1, 1997, through September 30, 2001;

(2) revenues would not be deposited in the Intercity Passenger Rail Trust Fund during any fiscal year to the extent that the deposit is estimated to result in available revenues in the Mass Transit Account being insufficient to satisfy that year's estimated appropriation levels;

(3) monies in the Intercity Passenger Rail Trust Fund should be generally available to fund, on a reimbursement basis, capital expenditures incurred by Amtrak; and

(4) amounts to fund capital expenditures related to rail operations should be set aside for each State that has not had Amtrak service in such State for the preceding year.

SEC. 341. SENSE OF THE SENATE—TRUTH IN BUDGETING.

It is the sense of the Senate that:

(1) The Congressional Budget Office has scored revenue expected to be raised from the auction of Federal Communications Commission licenses for various services;

(2) For budget scoring purposes, the Congress has assumed that such auctions would occur in a prompt and expeditious manner and that revenue raised by such auctions would flow to the Federal treasury;

(3) The Resolution assumes that the revenue to be raised from auctions totals billions of dollars;

(4) The Resolution makes assumptions that services would be auctioned where the Federal Communications Commission has not yet conducted auctions for such services, such as Local Multipoint Distribution Service (LMDS), licenses for paging services, final broadband PCS licenses, narrow band PCS licenses, licenses for unserved cellular, and Digital Audio Radio (DARS), and other subscription services, revenue from which has been assumed in Congressional budgetary calculations and in determining the level of the deficit; and

(5) The Commission's service rules can dramatically affect license values and auction revenues and therefore the Commission should act expeditiously and without further delay to conduct auctions of licenses in a manner that maximizes revenue, increases efficiency, and enhances competition for any service for which auction revenues have been scored by the Congressional Budget Office and/or counted for budgetary purposes in an Act of Congress.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. LOTT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The Presiding Officer appointed Mr. DOMENICI, Mr. GRASSLEY, Mr. NICKLES, Mr. GRAMM of Texas, Mr. BOND, Mr. GORTON, Mr. EXON, Mr. HOLLINGS, Mr. JOHNSTON, and Mr. LAUTENBERG.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 57, the Senate budget resolution, be put back on the calendar.

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

Mr. DOMENICI. Mr. President, it is getting late and I normally have a lot of wrap-up but I will not do that tonight. I believe it is imperative that I

express my deep appreciation to my friend, the ranking member, the Senator from Nebraska, Senator EXON. This is the last resolution after 16 years of service in the Senate and his State of Nebraska.

I am not sure that he would cherish being part of six or eight more budgets, the way this one has gone. It has taken a long time and has taken a big toll on us. I just thank him for everything he has done and for his help during the last 4, 5 days. I thank all my fellow Senators on the Budget Committee. They were a great help, great guides, and their suggestions permitted us to maneuver our way through all of the problems and get this important resolution adopted.

Mr. President, let me first express my deep appreciation to my friend and ranking member Senator EXON. This will be his last budget resolution after 16 years of distinguished service to the U.S. Senate and his beloved State of Nebraska.

I would also like to thank my fellow Senators on the Budget Committee for their help, guidance, and suggestions this last week as we maneuvered our way through this important resolution. Particular thanks to Senators GORTON and ABRAHAM for their help here on the floor.

Mr. President, I would also like to take a moment to thank the staff on both sides of the aisle. Bill Dauster and his staff have done an excellent job for that side of the aisle. In light of the increasingly partisan nature of the budget, I am always impressed by the working relationship between our staffs. We spent nearly the entire 50 hours and a full 7 days on this budget resolution. We will have considered nearly 100 amendments on myriad of topics. I want to thank the staff for the long hours and hard work that went into this budget resolution. I also want to thank the Republican floor staff and the cloakroom staff. Their assistance gets us through this difficult process. Each of the Budget Committee staff deserves a great deal of credit for the success of this budget resolution.

I want to publicly express my appreciation to my staff director and his two assistants here on the floor this last week, Austin Smythe and Beth Felder. There are other staff behind the scenes that have worked tirelessly to bring this resolution about. Instead of thanking each of my Budget Committee staff individually, I ask unanimous consent that a list of the names of the majority staff be printed in the RECORD.

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

MAJORITY STAFF

Brian Benczkowski; Jim Capretta; Amy Call; Lisa Cieplak; Christy Dunn; Beth Felder; Alice Grant; Jim Hearn; Keith Hennessey; William Hoagland; Carol McQuire; Anne Miller; Mieko Nakabayashi; and Denise G. Ramonas.

Cheri Reidy; Ricardo Rel; Karen Ricoy; J. Brian Riley; Mike Ruffner; Melissa Sampson; Anrea Shank; Amy Smith; Austin Smythe;

Bob Stevenson; Beth Wallis; and Winslow Wheeler.

ADMINISTRATIVE STAFF

Diane Bath; Victor Block; Alex Greene; Deena McMullen; Lynne Seymour; and George Woodall.

Mr. EXON. Mr. President, before my friend, the chairman of the committee, leaves, I want to thank him for his kind remarks. Yes, this is my last budget resolution forever. Sometimes I wonder if the chairman of the committee might like to say the same without giving up the leadership of the organization. But it has been a pleasure for 18 years to work with PETE DOMENICI.

As I said the other day, we do not always agree, but we have always been agreeable with each other as we have debated the issues. I thank him for all of his courtesies when we were in the majority and now that he is in the majority. I appreciate it very much. I wish him well.

Mr. President, I want to take the time to thank the Democratic staff of the Senate Budget Committee for the outstanding job they did during consideration of the budget resolution. I would like to extend the appreciation of our side to:

Amy Abraham who is our senior analyst on education and discretionary health;

Ken Colling who is our analyst on justice and general government;

Tony Dresden who is our communications director;

Jodi Grant who is our general counsel;

Matt Greenwald who is our senior analyst on energy, environment, and science & technology;

Joan Huffer who is also a senior analyst covering Medicaid, Social Security and income security issues;

Phil Karsting who is the senior analyst for agriculture and community and regional development;

Jim Klumpner who is our chief economist;

Soo Jin Kwon who is our analyst on commerce, transportation and banking;

Nell Mays who is the committee's staff assistant;

Sue Nelson who is both our director of budget review and senior analyst on Medicare;

Jon Rosenwasser who is our analyst on defense and international affairs;

Jerry Slominski who is our deputy chief of staff and senior analyst on revenues; and

Bill Dauster who is the Democratic staff director and chief counsel for the Budget Committee.

Thanks to all of them and those who work with them for a job very well done. Without you, it would have been impossible to carry on as we have, to uphold what we think are the good points and the bad points of this particular budget.

With that, Mr. President, I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I will be very brief. First, I want to express my deep appreciation to our esteemed leader of the Budget Committee, Senator DOMENICI of New Mexico, for doing an outstanding job. My appreciation also goes to Senator EXON for his steadfastness and to the members of the staff, who have done a remarkable job. It has been a pleasure and a real treat to work with them. It has been an extremely difficult measure, but they did it very well.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein for up to 5 minutes each.

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

U.S./GERMAN OPEN SKIES AGREEMENT

Mr. PRESSLER. Mr. President, a truly historic moment occurred in Milwaukee today when the United States and the Federal Republic of Germany formally signed an open skies agreement which will liberalize air service between our two countries. To underscore the importance of this agreement, I was pleased both President Clinton and Chancellor KOHL were on hand to sign it.

As I have said before, the U.S./German open skies agreement is a great economic victory for both countries and a very welcome development for consumers. Under the agreement, airlines of both countries will be free to operate to any points in either country, as well as third countries, without limitation. It also liberalizes pricing, charter services and further liberalizes the open skies cargo regime already in place. In short, it allows market demand, not the heavy hands of governments, to decide air service between the United States and Germany.

In addition to direct benefits, I have long said such an agreement would serve as a catalyst for liberalizing air service markets throughout Europe. Recent news reports indicate the competitive impact of the U.S./German open skies agreement is already being felt. For instance, since last October the British government, which is highly protective of the restrictive U.S./U.K. bilateral aviation agreement, expressed no willingness to seek to improve air service opportunities between the United States and the United Kingdom. This week, however, British negotiators came to Washington whistling a very different tune.

The competitive impact of the U.S./German open skies agreement also is being felt in U.S./France aviation relations. Since the French renounced our bilateral aviation agreement in 1992, the French government had shown no interest in negotiating a new air service agreement with the United States.

Like the British, the French too are whistling a different tune as a result of the U.S./German open skies agreement.

I welcome reports the Government of France finally has expressed an interest in discussing a liberal bilateral aviation agreement. No doubt this abrupt change in course is due to the competitive reality that France is now virtually surrounded by countries enjoying open skies agreements with the United States. Like a huge magnet, these countries with open skies regimes are drawing passenger traffic away from French airports.

For instance, last year combined traffic at the two major Paris airports, Orly and Charles de Gaulle, fell nearly 1 percent. What makes this statistic remarkable is elsewhere in Europe—particularly in countries with open skies relations with the United States—passenger traffic growth has been robust at major airports. For instance, passenger traffic rose 8.7 percent at Frankfurt Main Airport, 7.6 percent at Amsterdam Schiphol Airport, and 11 percent at Brussels Zaventem Airport.

Clearly, the French realize the U.S./German open skies agreement is only going to make the problem of passenger traffic diversion much worse. As I have said repeatedly, competition will be our best ally in opening the remaining restrictive air service markets in Europe. At great cost to its economy, the French are learning this lesson firsthand.

Mr. President, I commend to my colleagues an article describing the competitive impact of the U.S./German open skies agreement which appeared today in the *Aviation Daily*. I ask unanimous consent that a copy of that article be printed in the RECORD at the conclusion of my remarks.

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

Mr. PRESSLER. Let me conclude by saying the U.S./German open skies agreement is unquestionably our most important liberalized air service agreement to date. I again praise the bold and steadfast leadership of Secretary of Transportation Federico Pena and German Transport Minister Matthias Wissmann in securing this agreement. Both the United States and Germany will benefit greatly from their leadership which turned an excellent opportunity into a truly historic trade agreement between our two countries.

EXHIBIT 1

[From *Aviation Daily*, May 23, 1996]

NEW CARRIER ALLIANCES FUEL HOPES FOR U.S.-U.K., EUROPE OPEN SKIES

The emergence of powerful, antitrust-immunized alliances and increasingly open aviation regimes in fueling expectations of breakthroughs in U.S.-U.K. and U.S.-European Union relations. In a Senate floor speech Tuesday, Commerce Committee Chairman Larry Pressler (R-S.D.) said "a truly historic opportunity may be at hand to finally force the British to join us on the field of free and fair air service competition." The chief catalyst for this opportunity is the potential alliance between American and British Airways. With pub-

lished reports saying BA and American are close to announcing "a major business alliance," British officials "came to Washington [Monday] to assess the price tag for the regulatory relief the new alliance would require," said Pressler. "I am pleased initial reports indicate [DOT] reaffirmed its longstanding position: Nothing short of full liberalization of the U.S./U.K. air service market would be acceptable," he said. "If the administration stands firm, as I believe it must, the current restrictive U.S.-U.K. bilateral aviation agreement will be cast into the great trash heap of protectionist trade policy, where it belongs."

Pressler traced the potential for a U.K. breakthrough to the U.S.-Germany open skies agreement, struck early this year. "Simply put, the possible British Airways/American Airlines alliance is a competitive response to the U.S./Germany open skies agreement and the grant of antitrust immunity to the United Airlines/Lufthansa alliance," he said. Pressler was active in developing the U.S.-Germany pact, a point underscored on the Senate floor by Sen. Trent Lott (R-Miss.), who said Pressler's "steadfast leadership was instrumental in securing" the open skies agreement. Lott made public letters from DOT Secretary Federico Peña, who praised Pressler's "bipartisan leadership role" on the issue, and German Transport Minister Matthias Wissmann, who called Pressler "a cornerstone in this development."

In his speech, Pressler said, "If the Delta alliance with three smaller European carriers is granted a final antitrust immunity order later this month, that alliance—in combination with the United and Northwest alliances—will mean nearly 50% of the passenger traffic between the United States and Europe will be carried on fully integrated alliances." This will leave BA "with no choice but to respond. It now appears to be doing so by seeking to ally itself with the strongest U.S. carrier available and ultimately, to seek antitrust [immunity] for its new alliance." The price tag for the regulatory relief for such an alliance "must be nothing less than immediate open skies," said Pressler.

Industry observers are looking toward next week's European Transport Ministers Conference and a meeting of the European Union Council of Ministers in mid-June for possible progress in EU-U.S. aviation relations. Delta Chairman, President and Chief Executive Ronald Allen urged the EU to move "boldly and swiftly" toward an open skies relationship with the U.S. as "the next necessary step forward for world aviation. It is important that we take the step soon." In a speech yesterday before the European Aviation Club in Brussels, Allen praised EU Transport Commissioner Neil Kinnock's proposal that the European Commission be given a mandate to negotiate EU-wide open skies with the U.S. "He is trying to open the door to meaningful transatlantic competition and integration," Allen said. Some observers believe Kinnock will gain at least limited authority at the Council of Ministers Meeting.

Allen said Delta backed a number of proposals that may help the talks, including an increase in permissible foreign ownership of U.S. carriers from 25% to 49%. He said the carrier will work for changes in U.S. bankruptcy laws that allow airlines to continue operating while avoiding financial responsibilities, but the EU must also change its policy allowing state subsidies for troubled carriers. "Both these assistance measures distort marketplace competition and penalize carriers that have made the difficult choices necessary to make their companies competitive and financially sound," said Allen. He added that the EU also must resist moves to hamper competition through "safety net" regulations.