concern regarding this burden in their semi-annual report (October 1993–March 1994) stating, ''* * * we are concerned that the cost may outweigh the benefits of legislatively required annual audits of all participants, regardless of the size of participation or the risk they represent to the program.'' In this report the Inspector General recommends that a threshold be established for requiring an institutional audit, ''* * * and we continue to believe that a threshold is necessary for both the institutional and lender audits. Such a threshold would eliminate the audit burden for the smaller participants in the program while helping assure that scarce departmental resources are focused on the areas of greatest risk.''

The Ewing-Lewis bill works in concert with the Department of Education and the authorizing committee which have expressed the need for an audit threshold. This legislation will help the little guy in the student loan business and ensure consumer choice and convenience. Please support this sorely needed legislation.

INVESTMENT IN AMERICA ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mr. TRAFICANT. Mr. Speaker, every session since coming to Congress in 1985, I have introduced a bill to reinstate a 10-percent domestic investment tax credit [ITC] for the purchase of domestic durable goods. I am reintroducing this bill today, and I invite all Members to become cosponsors.

Mr. Speaker, as you know, the Ways and Means Committee intends to overhaul tax policy during the 105th Congress. I believe my 10 percent investment tax credit bill should be considered as a part of that new tax plan.

The way this bill works, it couldn't be simpler. If an American businessman buys a domestic product like a new machine or computer to improve their business, the consumer can take a 10-percent tax credit if that product was made in America. If the consumer purchases a new American-made automobile or truck, they can take a 10-percent tax credit. The tax credit would be worth up to $1,000.

Investment tax credits are not new, but mine incorporates buy-American language to assist economic enhancement. I believe that repealing the investment tax credit in 1986 was one of the major reasons for the downfall in investment. As a result, American companies are competing with one hand tied behind their backs. Under my bill, at least 60 percent of the basis of the product must be attributable to value within the United States to take advantage of the credit. In other words, language the Commerce Department already uses to define an American-made product.

The purpose of the investment in America tax credit is to stimulate the economy by spurring consumers and businesses to purchase American-made goods to enhance our long-term competitiveness. I don't know of a simpler way to change our complex tax policy for the better. I have always argued that the social problems this country faces can be linked to the unfair and harmful trade and tax policies enacted by the Congress. The 105th Congress offers us a unique opportunity to make a difference in the direction this country is headed.

Mr. Speaker, I urge all Members to cosponsor my bill. As a Congress, we need to show the American people that we are sincere about making America a strong nation once again.

STATEMENT ON THE TRANSITION TO WORK ACT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mrs. KENNELLY. Mr. Speaker, I am introducing legislation today to help Americans with disabilities return to work. The Transition to Work Act would provide Social Security Disability Insurance [SSDI] recipients with three important bridges to employment. First, continued Medicare coverage for those leaving the rolls for work; second, a disabled worker tax credit to cushion the loss of disability benefits and to make work pay; and third, greater choice in vocational rehabilitation providers. The legislation is supported by the Arc, the American Rehabilitation Association, the American Association of University Affiliated Programs, American Network of Community Options and Resources, American Psychological Association, American Speech-Language-Hearing Association, Bazelon Center for Mental Health, International Association of Business, Industry and Rehabilitation, National Easter Seal Society, National Multiple Sclerosis Society, the United Cerebral Palsy Associations, and Jerry Mashaw, chairman of the Disability Policy Panel of the National Academy of Social Insurance [NACI]. The proposal is based on the work incentive recommendations of the NACI Disability Policy Panel.

The primary barrier confronting many Americans with disabilities attempting to leave the SSDI rolls for work is the fear of losing health coverage. The Transition to Work Act would alleviate this anxiety by guaranteeing continued Medicare coverage for at least 6 years after an individual first leaves SSDI for work, this is a 2-year extension over current law. Furthermore, after that time period, the legislation would allow an individual to buy-in to Medicare part A based on a capped, income-related premium. Beneficiaries would pay 10 percent of earnings in excess of $15,000 for the Medicare buy-in premium, those earning less than $15,000 would continue to get Medicare part A free. This new Medicare coverage extension and buy-in would assure disabled Americans that their health coverage would not be pulled out from under them if they return to work.

Second, we must recognize that there is little incentive to make the transition to employment if work pays little or no more than disability insurance. For this reason, the Transition to Work Act would establish a new refundable tax credit to supplement the Earned Income Tax Credit [EITC] for individuals leaving the disability rolls for work. The maximum annual credit for an individual without children would be $1,200 and would phase out at $18,000 in earned income. The new credit would be especially helpful to individuals without children since their current EITC is relatively small, only $306 a year.

And, finally, the legislation would provide SSDI recipients with a ''Ticket for Work Opportunity'' that could be used to purchase either private rehabilitation or State vocational rehabilitation [VR] services, replacing the current system which automatically refers individuals to the State VR agency. Under this new system, which would be implemented first as a demonstration project, providers of VR services would get paid for results, not services. Providers would receive one milestone payment upon an individual's initial placement into employment, and then for 5 years thereafter would receive 50 percent of the amount the DI trust fund is saving because an individual has left the rolls for work. Payments to providers would actually occur in the second through sixth years of employment since individuals still receive cash disability payments during their first year of employment. Not only would this proposal increase the overall availability and choice of vocational rehabilitation services for disabled Americans, but it would also guarantee that payment for those services reflect savings to the SSDI trust fund.

Let me say that it is no easy task for Americans to leave the disability rolls for work. After all, these same individuals were forced to leave employment because of the severity of their disability. However, we can and should do more to help disabled individuals make the transition back to employment. Every SSDI recipient we help return to work, means one more person attaining a higher standard of living. In addition, it also means fewer dollars leaving the Social Security trust fund. I hope my colleagues will join me in this effort to reduce the barriers facing those with disabilities who want to return to work. A more detailed description of the legislation follows this statement.

THE TRANSITION TO WORK ACT OF 1997

DETAILED DESCRIPTION OF PROVISIONS

The Transition to Work Act would: (1) extend Medicare coverage for an additional two years and provide for an income-related Medicare buy-in thereafter; (2) create a Disabled Worker Tax Credit; and (3) demonstrate the effectiveness of encouraging people to work through Tickets for Work Opportunity.

Continued Medicare coverage and improved Medicare buy-in

Under current law, a beneficiary who goes back to work is entitled to up to 39 months of continued Medicare coverage. That 39 months begins after the 9 months of trial work during which the individual also continues to receive both cash benefits and Medicare. After a 3-month grace period, cash DI benefits cease.

The proposal would extend the continuation of Medicare for an additional 2 years. As under current law, no cash benefits would be paid during this continuation period. As a result of the plan, Medicare would continue for a total of 6 years after the beneficiary first began to work. This would eliminate one of the largest disincentives to work.

After the individual had retained employment and his Medicare continuation coverage had ended, he would be permitted to purchase Medicare coverage based on an income-related premium. The premium would be 10% of the individual's earnings in excess of $15,000. The premium would be capped at the maximum premium under current law.

Current law allows disabled and other individuals to purchase Medicare coverage. DI beneficiaries may purchase Medicare Part A Hospital Insurance at the full actuarial cost of coverage. In 1997, that amount is $3,732 annually. Beneficiaries may purchase Medicare Part B at the same premium as other enrollees—about $526 a year in 1997. Under current law, the HI premium is reduced for former beneficiaries who have at least 30 quarters of Social Security coverage. Under current law, the reduction in the premium will be fully phased in by 1998. In 1998 and thereafter, the reduction will be 45% of the premium for HI.

Under current law, State Medicaid programs may purchase Medicare HI coverage for low-income former beneficiaries known as ''Qualified Disabled and Working Individuals.''

Disabled worker tax credit

The plan would offer a refundable Disabled Worker Tax Credit (DWTC) to encourage DI beneficiaries to leave the rolls and return to work. To encourage work and cushion the loss of benefits, the credit would be available to DI beneficiaries whose benefits had ceased due to work. The DWTC would provide a modest supplement to the Earned Income Tax Credit (EITC). Like the EITC, the credit would increase as earnings increased up to a maximum credit; would plateau at a level designed to make work more financially rewarding than collecting disability benefits; and would phase out thereafter.

The DWTC for a person with no children would increase until earnings reached $8,000 and would be phased out completely at $18,000. This would provide a maximum credit of $1,200 annually in addition to the current EITC OF $306. The credit for a worker with one child would peak at $7,000 of earnings and phase out at $25,800. The maximum credit would be $500 annually in addition to the EITC of about $2,100. Finally, the credit for a worker with two-children would peak at about $10,000 and would be phased out at about $29,000. The maximum credit would be $750 annually in addition to the current EITC of $3,560.

Tickets for work opportunity

The Commissioner of Social Security would be required to establish a Transition to Work demonstration program in as many localities as she deems appropriate. Under the Transition to Work program, Social Security Disability (DI) beneficiaries would be encouraged to return to work through Tickets for Work Opportunity (TWO). The TWO could be used by beneficiaries to seek out those providers of rehabilitation services who would most effectively help them to return to work. The individual could choose to receive services from a private provider or from the State vocational rehabilitation (VR) agency.

Under current law and policy, Social Security Disability Insurance (DI) beneficiaries are referred to State VR agencies for rehabilitation when the Disability Determination Service determines that the beneficiary would be eligible for VR services in that State. A DI beneficiary who refuses such services may lose his or her benefits. State VR agencies are reimbursed for the cost of rehabilitation after the individual has been gainfully employed for nine months. Under the current system, less than 1% of DI beneficiaries return to work.

The Ticket for Work Opportunity would offer beneficiaries additional options for rehabilitation services. Furthermore, both public and private providers would have an incentive to seek out beneficiaries to help them leave the disability rolls. Under the plan, the TWO would be provided automatically to those persons most likely to return to work—to new beneficiaries and to those who are notified of the commencement of a continuing disability review (CDR). All other DI beneficiaries would have the option to participate in the TWO plan.

Beneficiaries would present the TWO to a public or private provider of vocational rehabilitation services. Payment would be made by the Commissioner of the Social Security Administration to the provider for successfully returning the beneficiary to work A milestone payment would be paid to the provider when the beneficiary was placed in employment and began to work. When the individual had engaged in Substantial Gainful Activity (i.e., earnings exceeded $500 a month) throughout the 9-month trial work period and his or her benefits ceased, the provider would receive 50% of the savings which accrued to the Disability Insurance Trust Fund. Providers would receive payments on a quarterly basis. The Commissioner of Social Security would be permitted to alter the percentage or the period of the payments if she determined that the incentive was not adequate to return beneficiaries to work.

The Social Security Administration would certify providers. Providers would be defined to include a broad range of rehabilitation services include job training, liaison and placement. The Commissioner would be required to provide beneficiaries with a list of providers of vocational rehabilitation services available in each locality.

The vocational rehabilitation provider and the beneficiary would jointly develop an individual transition to work plan. The plan would take effect upon approval by the beneficiary.

THE AMERICAN ASSISTANCE ACT

HON. GEORGE P. RADANOVICH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mr. RADANOVICH. Mr. Speaker, I rise to introduce the Armenian Assistance Act. This bill is designed to assist Armenia and her people with an ambitious and progressive plan, similar to the successful program Operation Flood of India, to reconstruct sagging agricultural markets.

Ultimately, if Armenia is able to feed itself, its people will directly benefit from improved public health and nutrition standards. Improvement to Armenian's agricultural sector, specifically in the area of wheat seed development, is in the direct strategic interest of the United States and our desire to secure the advantages of a stable Caucasus region. Further, this bill will help empower Armenians in their bid for reform, likely establish new markets for United States products, and it specifically will enhance the exporting of United States agricultural products.

However, in introducing this bill, I am not proposing additional burdens for America's hardworking taxpayers nor proposing that we neglect America's precious farmland. Our people and farmers deserve more responsible representation. I recognize the need to harness the waste and dated programs contained within past foreign aid budgets. Therefore, I have pursued creative measures for striking a balance between the issue of controlling foreign aid and the need to help Armenia.

Allow me to clearly outline what this bill will do:

First, empower the private sector transition in Armenia toward a market economy, and likely establish new markets for the United States by strengthening our consumer buying power in Armenia.

Second, enhance the exporting of U.S. agricultural products.

Third, assist to coordinate activities with the U.S. Department of State, and help to establish a monitoring system in the Caucasus region for zoonotic diseases, which are transmissible from animals to humans. These diseases have no boundaries and are apt to cause major public health problems throughout the region, and furthermore are easily spread to Europe.

If this bill is passed, it is my intention to request that the agricultural renewal program in Armenia be implemented by the Armenian Technology Group [ATG], a nonprofit organization based in Fresno, CA. Over the past several years, ATG has been involved in similar programs in the area. It should be noted that, 80 percent of the organization's operational funding has been generated from the private and public sectors, and only 20 percent from U.S. Government sources. ATG has been effective in implementing its programs by working directly with the people of Armenia, in assisting them in their transition toward market economy, and in helping build democracy from the bottom up. I have enclosed for the RECORD specific figures on ATG's contributions and investments in the agricultural sector of the Republic of Armenia.

You may recall in the 104th Congress that the Government of Turkey was appropriated $22 million in economic support aid. Initially, the aid was dependent on Turkey's long-awaited recognition of the Armenian Genocide. A belligerent Ankara reacted to the House genocide clause, a reasonable amendment which I was privileged to introduce and lead in eventual passage in the House, by telling the United States State Department and the United States Congress that Turkey would not accept United States aid with preconditions such as recognition of the Armenian Genocide. Amazingly, Turkey was given the support and was not asked to recognize the genocide. All this despite their declaration to decline United States economic aid, while countries such as Armenia were in desperate need of financial support.

The Armenian Assitance Act proposes to redirect the $22 million or any remaining amount not yet obligated from the fiscal year 1997 Foreign Appropriations Act in economic support aid for Turkey, and transfer those funds to Armenia for agricultural development. I'm certain Armenia has been, and will continue to be, grateful for the support of the United States Government and the American taxpayer.

ARMENIAN TECHNOLOGY GROUP, INC.

[ATG Sponsored Contributions and Investments in the Agricultural Sector of the Republic of Armenia 1989–1996]

Contributions/Donations Per Sector	Amount USD	Percentage
ATG Contributions:		
Private Sector Donations	$11,695,672	58.13
In-Kind Professional Services	3,751,456	18.65
Cash Contributions	586,468	2.92
U.S. Government Support:		
USAID Grants/Sub-Grants	2,948,226	14.66
Transportation Costs	1,025,000	5.10
UNHCR Grants	115,010	0.58
Total	20,121,832	....