to law, the report relative to Regular Trade Adjustment Assistance for fiscal year 1997; to the Committee on Finance.

EC–1364. A communication from the Director of the U.S. Information Agency, transmitting, a draft of proposed legislation to authorize appropriations for fiscal years 1998 and 1999; to the Committee on Foreign Relations.

EC–1365. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a rule entitled ''The National Vaccine Injury Compensation Program'' (RIN0906–AA36) received on March 10, 1997; to the Committee on Labor and Human Resources.

EC–1366. A communication from the Congressional Affairs Officer of the Federal Election Commission, transmitting, an errata sheet; to the Committee on Rules and Administration.

EC–1367. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, the annual report for fiscal year 1996; to the Committee on Veterans' Affairs.

EC–1368. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of rules received on March 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1369. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty rules including a rule relative to Airworthiness Directives (RIN2120–AA64, AA65, AA66, AE47, AE92); to the Committee on Commerce, Science, and Transportation.

EC–1370. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology for 1996; to the Committee on Commerce, Science, and Transportation.

EC–1371. A communication from the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, five rules including a rule entitled ''American Lobster Fishery'' (RIN0648–XX81, AJ48, XX72); to the Committee on Commerce, Science, and Transportation.

EC–1372. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report relative to a program for flood damage reduction; to the Committee on Environment and Public Works.

EC–1373. A communication from the Director of the Office of Regulatory Management and Information, U.S. Environmental Protection Agency, transmitting, pursuant to law, five rules including a rule entitled ''Clofencet'' (FRL5679–4, 5591–9, 5593–1, 5592–2, 5591–7) received on March 6, 1997; to the Committee on Environment and Public Works.

EC–1374. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, a rule entitled ''Truck Size and Weight'' (RIN2125–AE08) received on March 6, 1997; to the Committee on Environment and Public Works.

EC–1375. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, a rule entitled ''Endangered Status'' (RIN1018–AC85) received on March 10, 1997; to the Committee on Environment and Public Works.

EC–1376. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1996; to the Committee on Governmental Affairs.

EC–1377. A communication from the Chairman of the Occupational Safety and Health Review Commission, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during fiscal year 1996 and the report of the Office of Inspector General for the period April 1 through September 30, 1996; to the Committee on Governmental Affairs.

EC–1378. A communication from the Director of the Office of Government Ethics, transmitting, pursuant to law, a rule entitled ''Executive Agency Ethics Training Program Regulation Amendments'' (RIN3209–AA07) received on March 6, 1997; to the Committee on Governmental Affairs.

EC–1379. A communication from the Human Resources Manager of CoBank, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Governmental Affairs.

EC–1380. A communication from the Executive Director of the D.C. Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report concerning procurement; to the Committee on Governmental Affairs.

EC–1381. A communication from the Chief Financial Officer of the Export-Import Bank, transmitting, pursuant to law, a report for fiscal year 1996; to the Committee on Governmental Affairs.

EC–1382. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report relative to the correctional complex in Lorton, Virginia; to the Committee on Governmental Affairs.

EC–1383. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–533 adopted by the Council on January 7, 1997; to the Committee on Governmental Affairs.

EC–1384. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–534 adopted by the Council on January 7, 1997; to the Committee on Governmental Affairs.

EC–1385. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–15 adopted by the Council on February 4, 1997; to the Committee on Governmental Affairs.

EC–1386. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–5 adopted by the Council on February 4, 1997; to the Committee on Governmental Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Keith R. Hall, of Maryland, to be an Assistant Secretary of the Air Force.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. BOND (for himself, Mr. LOTT, Mr. HOLLINGS, Mr. HUTCHINSON, Mr. COCHRAN, Mr. KOHL, Mr. INOUYE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE, Mr. BREAUX, Mr. HELMS, Mr. WYDEN, Mr. KERREY, Mr. FAIRCLOTH, Ms. MOSELEY-BRAUN, Mr. BINGAMAN, and Mr. DORGAN):

S. 419. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

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

S. 420. A bill to amend the Internal Revenue Code of 1986 to phase in by the year 2000 a 100 percent deduction for the health insurance costs of self-employed individuals; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 421. A bill to amend title 35, United States Code, to establish the Patent and Trademark Office as a Government corporation, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. JEFFORDS, and Mr. DODD):

S. 422. A bill to define the circumstances under which DNA samples may be collected, stored, and analyzed, and genetic information may be collected, stored, analyzed, and disclosed, to define the rights of individuals and persons with respect to genetic information, to define the responsibilities of persons with respect to genetic information, to protect individuals and families from genetic discrimination, to establish uniform rules that protect individual genetic privacy, and to establish effective mechanisms to enforce the rights and responsibilities established under this Act; to the Committee on Labor and Human Resources.

By Mr. ROBB (for himself and Mr. WARNER):

S. 423. A bill to extend the legislative authority for the Board of Regents of Gunston Hall to establish a memorial to honor George Mason; to the Committee on Energy and Natural Resources.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 424. A bill to adjust the Federal medical assistance percentage determined for Alaska under the medicaid program to reflect Alaska's cost-of-living; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. MOYNIHAN):

S. 425. A bill to provide for an accurate determination of the cost of living; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOND (for himself, Mr. LOTT, Mr. HOLLINGS, Mr. HUTCHINSON, Mr. COCHRAN, Mr. KOHL, Mr. INOUYE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE and Mr. BREAUX):

S. 419. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

THE BIRTH DEFECTS PREVENTION ACT OF 1997

Mr. BOND. Mr. President, I rise today to introduce the Birth Defects Prevention Act of 1997. I introduce this on behalf of myself, Senators LOTT, DASCHLE, HOLLINGS, HUTCHINSON of Arkansas, COCHRAN, KOHL, INOUYE, MOYNIHAN, CHAFEE, and BREAUX.

The March of Dimes and their volunteers are here today to lend support to an often overlooked, but a very compelling health care problem in the

United States today. Many people do not realize that birth defects are the leading cause of infant deaths in the United States. This year alone, an estimated 150,000 babies will be born with a serious birth defect, and one out of every five of these babies will die. Nationally, birth defects affect 3 percent of all births, and among the babies who survive, birth defects are a significant cause of lifelong disability. Depending on the particular type of problem and its severity, special medical treatment, education, rehabilitation and other services may be required into adulthood, costing billions of dollars each year.

A 1995 Centers for Disease Control and Prevention report revealed that the lifetime cost for just 18 common birth defects occurring in a single year is $8 billion. Yet, only about 22 percent of those born with birth defects are included in these figures. And, of course, it is impossible to measure the pain and the heartache that birth defects cause.

Let me share with you just a couple of experiences I have had in Missouri. I have worked for a long time to improve children's health. I appropriated money in the early 1970's in Missouri to fund the high-cost, but highly effective, neonatal care units at our hospitals. They do a wonderful job of saving very-low-birth-weight babies and babies with severe defects. But that is not enough. We can do some things to lower the incidence of birth defects, and birth defects can strike any family.

I know, many people say one of the real problems is we have too many young women, often unmarried, who do not know that you cannot use tobacco or alcohol or drugs during pregnancy without expecting a bad birth outcome.

But there are many other things that we have only recently learned that are extremely important. Four hundred milligrams a day of folic acid, vitamin B, for women of childbearing years can substantially reduce the risk of a child born with spina bifida. A very good friend of ours had a child born with spina bifida. He was a wonderful young man, but he has had to go through many expensive operations. His parents went through much heartache, and he still is not able to move as the rest of us can.

Birth defects can be dealt with if we have a concerted national strategy to direct the Centers for Disease Control to collect the information on birth defects, to provide funding and support in research at the State level and to set up five regional centers to deal with birth defects. A few years ago, the incidence of birth defects became a very major concern in certain Hispanic communities in southwest Texas, and, as a result, the Hispanic caucus joined with me in past years, in past sessions of Congress, to sponsor this legislation.

We were able to appropriate some moneys for the Centers for Disease Control, but we have not been able to establish a national strategy, maybe because there are not lobbyists for those who have not yet been born who may be at risk of birth defects, but there are effective spokespeople, like the March of Dimes, the American Academy of Pediatrics, and a long list of distinguished organizations.

The time has come to join with them, with the Easter Seals Society, the American Hospital Association, and all of the other organizations, in developing and directing the Centers for Disease Control to work with States and local governments to survey birth defects, to bring together the information on birth defects so that researchers have a means of dealing with it.

Mr. President, birth defects are the leading cause of infant death in the United States. This year alone, an estimated 150,000 babies will be born with a serious birth defect, and 1 out of every 5 of these babies will die.

In addition, birth defects affect 3 percent of all births nationally.

Among babies who survive, birth defects are a significant cause of lifelong disability. Depending on the particular type of problem and its severity, special medical treatment, education, rehabilitation, and other services may be required into adulthood—costing billions of dollars each year.

A 1995 Centers for Disease Control and Prevention report revealed that the lifetime cost for just 18 common birth defects occurring in a single year is $8 billion—yet only about 22 percent of those born with birth defects are included in these figures.

And, of course, it is impossible to measure the pain and heartache that birth defects cause.

It may surprise you to learn that the United States does not have a coordinated strategy for reducing the incidence of birth defects. It is both shocking and disappointing how few Federal resources are devoted to prevent this tragic, perhaps even partly preventable public health problem.

So today, in an effort to tackle this devastating problem head on, I am introducing the Birth Defects Prevention Act of 1997. Congressmen SOLOMON ORTIZ and HENRY BONILLA are simultaneously introducing this bill in the House of Representatives.

This bill will prioritize our efforts and make congressional intent clear—more resources should be directed to the prevention of the leading killer of babies, birth defects.

An unfortunate situation in the State of Texas a few years ago exemplifies how the lack of a birth defects prevention strategy delayed the response to an outbreak of birth defects and may have needlessly cost innocent lives. Health professionals in Texas observed that six infants were born with anencephaly over a 6-week period. Anencephaly is a fetal birth defect characterized by an absence of brain tissue.

The Texas Department of Health conducted a study after this information was reported. The study revealed that since 1989, at least 30 infants in south Texas had been born without or with little brain tissue. However, because Texas did not have a birth defects surveillance program, the severity of the problem was not recognized until the incidence of anencephaly was so high that it was difficult to miss.

This tragic event in south Texas underscores the need for a coordinated national effort to research the causes of birth defects and to prevent such defects from occurring in the first place. A little prevention goes a long way in preventing family pain and heartache. It is up to our Nation to seize on this excellent opportunity to protect our most vulnerable resources—our children.

To achieve the goal of protecting our Nation's kids, this legislation does several things.

First, the bill provides Federal grants to State health authorities for the purpose of collecting, analyzing, and reporting birth defects statistics. Today, only about half of the States have some kind of birth defects surveillance system.

Second, this legislation calls for the establishment of at least five regional centers of birth defects prevention research. These regional programs will collect and analyze information on the number, incidence, and causes of birth defects within a region as well as provide education and training for health professionals aimed at the prevention of birth defects.

At least one of the centers will focus on birth defects among ethnic minorities.

Third, the Centers for Disease Control and Prevention [CDC] is directed to be the coordinating agency for birth defects prevention activities. The CDC will serve as a clearinghouse for the collection and storage of data generated from State and regional birth defects monitoring programs.

Finally, grants will be available to State departments of health, universities, or other private, or nonprofit entities to develop and implement birth defect prevention strategies, such as programs using folic acid vitamin supplements to prevent spina bifida and alcohol avoidance strategies to prevent fetal alcohol syndrome.

Again, when we talk about birth defects, it is important to note that many birth defects are preventable. For instance, we now know that a simple 400 mg dose of the B vitamin folic acid each day could prevent 50 to 70 percent of all cases of spina bifida and anencephaly—saving about $245 million annually and more importantly, saving some families the heart ache that many of us have witnessed friends and families go through.

We must broaden public and professional awareness of birth defects and prevention opportunities, and we must have a coordinated national strategy to achieve this goal.

The economic and emotional burden of birth defects on families and society

as a whole presents a vivid, human picture of the need for a national research and prevention strategy.

Although infant mortality in the United States has been falling steadily over the past few decades, 25 other countries have lower infant mortality rates than the United States.

This bill is an important step in improving the health of our Nation. The tragedy of birth defects compels our Nation to become a stronger partner for charitable and medical groups in fulfilling our obligation to protect our Nation's most vulnerable population. Let us hope that more tragedies are not necessary to push Congress into action.

This legislation has the support of many national organizations, including: the March of Dimes Foundation, the Spina Bifida Association of America, American Academy of Pediatrics, National Association of Children's Hospitals, the National Easter Seals Society, American Association of Mental Retardation, Association of Maternal and Child Health Programs, and the American Hospital Association.

The bill also has broad bipartisan support.

Let me conclude by taking special note of the help of the National and Missouri March of Dimes, as well as numerous health and child advocate organizations, for their assistance in developing and advocating this legislation. Specifically, I wish to thank Dr. Jennifer Howse, Jo Merrill, and Marina Weiss of the March of Dimes for their persistence and commitment to this endeavor.

Mr. President, I send a copy of the bill to the desk and ask unanimous consent that it be printed in the RECORD.

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

S. 419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Birth Defects Prevention Act of 1997''.

(b) FINDINGS.—The Congress makes the following findings:

(1) Birth defects are the leading cause of infant mortality, directly responsible for one out of every five infant deaths.

(2) Thousands of the 150,000 infants born with a serious birth defect annually face a lifetime of chronic disability and illness.

(3) Birth defects threaten the lives of infants of all racial and ethnic backgrounds. However, some conditions pose excess risks for certain populations. For example, compared to all infants born in the United States, Hispanic-American infants are more likely to be born with anencephaly spina bifida and other neural tube defects and African-American infants are more likely to be born with sickle-cell anemia.

(4) Birth defects can be caused by exposure to environmental hazards, adverse health conditions during pregnancy, or genetic mutations. Prevention efforts are slowed by lack of information about the number and causes of birth defects. Outbreaks of birth defects may go undetected because surveillance and research efforts are underdeveloped and poorly coordinated.

SEC. 2. BIRTH DEFECTS PREVENTION AND RESEARCH PROGRAM.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.) is amended by inserting after section 317F the following:

''BIRTH DEFECTS PREVENTION AND RESEARCH PROGRAMS

''SEC. 317G. (a) NATIONAL BIRTH DEFECTS SURVEILLANCE PROGRAM.—The Secretary, acting through the Director of the Centers for Disease Control, may award grants to, enter into cooperative agreements with, or provide direct technical assistance in lieu of cash to States, State health authorities, or health agencies of political subdivisions of a State for collection, analysis, and reporting of birth defects statistics from birth certificates, infant death certificates, hospital records, or other sources and to collect and disaggregate such statistics by gender and racial and ethnic group.

''(b) CENTERS OF BIRTH DEFECTS PREVENTION RESEARCH.—

''(1) IN GENERAL.—The Secretary shall establish at least five regional birth defects monitoring and research programs for the purpose of collecting and analyzing information on the number, incidence, correlates, and causes of birth defects, to include information regarding gender and different racial and ethnic groups, including Hispanics, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

''(2) AUTHORITY FOR AWARDS.—For purposes of paragraph (1), the Secretary, acting through the Director of the Centers for Disease Control, may award grants or enter into cooperative agreements with State departments of health, universities, or other private, nonprofit entities engaged in research to enable such entities to serve as Centers of Birth Defects Prevention Research.

''(3) APPLICATION.—To be eligible for grants or cooperative agreements under paragraph (2), the entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may prescribe, including assurances that—

''(A) the program will collect, analyze, and report birth defects data according to guidelines prescribed by the Director of the Centers for Disease Control;

''(B) the program will coordinate States birth defects surveillance and prevention efforts within a region;

''(C) education, training, and clinical skills improvement for health professionals aimed at the prevention and control of birth defects will be included in the program activities;

''(D) development and evaluation of birth defects prevention strategies will be included in the program activities, as appropriate; and

''(E) the program funds will not be used to supplant or duplicate State efforts.

''(4) CENTERS TO FOCUS ON RACIAL AND ETHNIC DISPARITIES IN BIRTH DEFECTS.—One of the Centers of Birth Defects Prevention Research shall focus on birth defects among ethnic minorities, and shall be located in a standard metropolitan statistical area that has over a 60 percent ethnic minority population, is federally designated as a health professional shortage area, and has an incidence of one or more birth defects more than four times the national average.

''(c) CLEARINGHOUSE.—The Centers for Disease Control shall serve as the coordinating agency for birth defects prevention activities through establishment of a clearinghouse for the collection and storage of data and generated from birth defects monitoring programs developed under subsections (a) and (b). Functions of such clearinghouse shall include facilitating the coordination of research and policy development to prevent birth defects. The clearinghouse shall disaggregate data by gender and by racial and ethnic groups, the major Hispanic subgroups, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

''(d) PREVENTION STRATEGIES.—

''(1) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control, shall award grants to or enter into cooperative agreements with State departments of health, universities, or other private, or nonprofit entities to enable such entities to develop, evaluate and implement prevention strategies designed to reduce the incidence and effects or birth defects including—

''(A) demonstration projects for the prevention of birth defects, including—

''(i) at least one project aimed at enhancing prevention services in a 'high-risk area' that has a proportion of birth to minority women above the national average, is federally designated as a health professional shortage area, and has a high incidence of one or more birth defects; and

''(ii) at least one outcome research project to study the effectiveness of infant interventions aimed at amelioration of birth defects; and

''(B) public information and education programs for the prevention of birth defects, including but not limited to programs aimed at educating women on the need to consume the daily amount of folic acid (pteroylmon oglutomic acid) as recommended by the Public Health Service and preventing alcohol and illicit drug use during pregnancy in a manner which is sensitive to the cultural and linguistic context of a given community.

''(2) CONSULTATION.—In carrying out programs under this subsection, the Secretary, acting through the Centers for Disease Control and Prevention, shall consult with State and local governmental agencies, managed care organizations, nonprofit organizations, physicians, and other health professionals and organizations.

''(e) ADVISORY COMMITTEE.—

''(1) ESTABLISHMENT OF COMMITTEE.—The Secretary shall establish an Advisory Committee for Birth Defects Prevention (in this subsection referred to as the 'Committee'). The Committee shall provide advice and recommendations on prevention and amelioration of birth defects to the Secretary and the Director of the Centers for Disease Control.

''(2) FUNCTIONS.—With respect to birth defects prevention, the Committee shall—

''(A) make recommendations regarding prevention research and intervention priorities;

''(B) study and recommend ways to prevent birth defects, with emphasis on emerging technologies;

''(C) identify annually the important areas of government and nongovernment cooperation needed to implement prevention strategies;

''(D) identify research and prevention strategies which would be successful in addressing birth defects disparities among the major Hispanic subgroups, non-Hispanic whites, African Americans, Native Americans, and Asian Americans; and

''(E) review and recommend policies and guidance related to birth defects research and prevention.

''(3) COMPOSITION.—The Committee shall be composed of 15 members appointed by the Secretary, including—

''(A) four health professionals, who are not employees of the United States, who have expertise in issues related to prevention of or care for children with birth defects;

''(B) two representatives from health professional associations;

''(C) four representatives from voluntary health agencies concerned with conditions leading to birth defects or childhood disability;

''(D) five members of the general public, of whom at least three shall be parents of children with birth defects or persons having birth defects; and

''(E) representatives of the Public Health Service agencies involved in birth defects research and prevention programs and representatives of other appropriate Federal agencies, including but not limited to the Department of Education and the Environmental Protection Agency, shall be appointed as ex officio, liaison members for purposes of informing the Committee regarding Federal agency policies and practices;

''(4) STRUCTURE.—

''(A) TERM OF OFFICE.—Appointed members of the Committee shall be appointed for a term of office of 3 years, except that of the members first appointed, 5 shall be appointed for a term of 1 year, 5 shall be appointed for a term of 2 years, and 5 shall be appointed for a term of 3 years, as determined by the Secretary.

''(B) MEETINGS.—The Committee shall meet not less than three times per year and at the call of the chair.

''(C) COMPENSATION.—Members of the Committee who are employees of the Federal Government shall serve without compensation. Members of the Committee who are not employees of the Federal Government shall be compensated at a rate not to exceed the daily equivalent of the rate in effect for grade GS–18.

''(f) REPORT.—The Secretary shall prepare and submit to the Committee on Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a biennial report regarding the incidence of birth defects, the contribution of birth defects to infant mortality, the outcome of implementation of prevention strategies, and identified needs for research and policy development to include information regarding the various racial and ethnic groups, including Hispanic, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

''(g) APPLICABILITY OF PRIVACY LAWS.—The provisions of this section shall be subject to the requirements of section 552a of title 5, United States Code. All Federal laws relating to the privacy of information shall apply to the data and information that is collected under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) For the purpose of carrying out subsections (a), (b), and (c), there are authorized to be appropriated $15,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, and such sums as may be necessary for each of the fiscal years 2000 and 2001.

''(2) For the purpose of carrying out subsection (d), there are authorized to be appropriated $15,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, and such sums as may be necessary for each of the fiscal years 2000 and 2001.

''(3) For the purpose of carrying out subsections (e) and (f), there are authorized to be appropriated $2,000,000 for each of the fiscal years 1998 through 2001.''.

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

S. 420. A bill to amend the Internal Revenue Code of 1986 to phase in by the year 2000 a 100 percent deduction for the health insurance costs of self-employed individuals; to the Committee on Finance.

THE HEALTH INSURANCE COST TAX EQUITY ACT OF 1997

● Mr. DORGAN. Mr. President, today I rise to introduce the Health Insurance Cost Tax Equity Act of 1997, which is legislation to finally put our Nation's sole proprietors on par with their larger corporate competitors with respect to the tax treatment of health insurance costs.

Last summer in the Health Insurance Portability and Accountability Act, Congress took a great stride in addressing one of urgent tax matters facing our family farmers and ranchers. This act, which was passed by Congress and signed into law by the President, included a proposal to increase the amount that farmers, ranchers and other sole proprietors may deduct for their health insurance costs to 80 percent by the year 2006, a significant improvement from its current level of 40 percent.

But we cannot stop at this point. It is indefensible that our tax laws tell some of our biggest corporations that they still can deduct 100 percent of their health insurance costs, while others, mostly smaller businesses, are told they can deduct only a smaller share of their health insurance costs.

This provision is absolutely critical to the health care concerns of farmers, ranchers and small business owners who conduct their businesses as sole proprietors. That is why I'm reintroducing legislation this year to ensure complete fairness in the Tax Code for sole proprietors who acquire health insurance coverage for themselves and their families. My bill will increase the deduction for the health insurance costs of the self-employed to 60 percent and 80 percent in 1998 and 1999, respectively. After that, Americans who work for themselves could deduct 100 percent of their insurance costs, just as large corporations do.

The health of a farm family or small business owner is no less important than the health of the president of a large corporation, and the Internal Revenue Code should reflect this simple fact.

I urge my colleagues to cosponsor this legislation. It promotes tax justice and the well-being of our independent producers and the entire country.●

By Mr. LAUTENBERG:

S. 421. A bill to amend title 35, United States Code, to establish the Patent and Trademark Office as a Government corporation, and for other purposes; to the Committee on the Judiciary.

THE PATENT AND TRADEMARK OFFICE REFORM ACT

● Mr. LAUTENBERG. Mr. President, today I reintroduce the Patent and Trademark Office Reform Act, a bill to establish the Patent and Trademark Office as a Government corporation and to provide needed reforms to its operations. The handful of changes I have made from the legislation I sponsored in the last Congress are designed to provide assurance to the Office's users that their fees will only be applied toward Patent and Trademark Office purposes and additional protections to the Office's employees.

Our country's Patent and Trademark Office is one of the finest in the world. It has been and continues to be integral to America's competitiveness and economic growth. It is no exaggeration to state that tens of millions of jobs have been created as a result of the PTO's actions. I have seen first-hand the benefits of this Office in my home State of New Jersey, which although it is the ninth most populated State in the Union, receives the third largest number of patents per capita. Despite the comparative quality of work of the current PTO, laws and regulations outside of the control of the PTO's management have prevented it from being as efficient as it should be, and as its users deserve. And unless remedied by legislation, certain circumstances that I will detail below will cause PTO's performance to decrease dramatically.

The Patent and Trademark Office is currently subject to the same procurement and personnel requirements, including personnel ceilings, as other Federal agencies. While these requirements make sense and, indeed, are essential for other Government entities, they hinder the effectiveness of the PTO and are not appropriate for a completely user fee-funded agency. By converting the PTO into a Government corporation, we would free the Office from most of these laws and regulations, but would keep its inherently governmental function within the Federal Government and its work would be continued by federal employees.

Mr. President, the new PTO will be a wholly owned Government corporation run by a commissioner and two assistants. They will report to the Secretary of Commerce on patent and trademark policy matters only. Like my bill from the last Congress, I have inserted a firewall to prevent the Commerce Department from interfering with internal management decisions of the Office, as opposed to policy decisions. My legislation establishes an Office of the Under Secretary for Intellectual Property within the Commerce Department. The Under Secretary will ensure both attention to intellectual property issues at the Cabinet level and a coordinated Government approach to these matters.

The new PTO will be able to procure equipment, supplies, even office space without the constraints of the Brooks Act, the Public Buildings Act, and the Federal Property and Administrative Services Act. These changes are in response to criticism of undue procurement delays that have resulted in lower quality products at higher costs to the Office. My legislation would also permit PTO to lease, buy, or build office space that is more practical for PTO's needs. Currently, PTO is spread throughout over a dozen buildings, which is not only inconvenient for its employees, it's inefficient.

Much of the work performed at the PTO requires specialized skills. Those skills are the main reason that the PTO's employees are so highly sought by the private sector. Limited by the general schedule and an overly structured employee classification system, the Office has been hindered in its ability to retain a large number of its workers. My legislation will enable the new PTO to provide its employees with competitive pay so that it might keep and hire top talent. The Office will no longer be subject to personnel ceilings, including those established in the Federal WorkForce Restructuring Act of 1994. There will also be a one-year carry-over of all PTO employees during the transition from the current PTO to the PTO as a Government corporation.

One of the more significant differences between the bill I am introducing today and the one I sponsored last Congress involves personnel issues. Although both bills give the new PTO the flexibility to competitively compensate its employees, S. 421 permits collective bargaining over pay and other important terms and conditions of employment. This increased employee participation will provide an essential balance to needed managerial flexibility. I have also established a floor on basic pay for current PTO employees so that they will be assured of receiving no less then they do now after PTO becomes a Government corporation.

Mr. President, this bill would give the users, who have fully funded the Office's operations since 1991, an advisory role over such matters as PTO's performance, fees, and budget. This advisory board will review and recommend changes to promote the Office's patent and trademark operations. This board will be comprised of 12 persons selected by the President and Congress who will serve for 4-year terms and who will meet at least quarterly. The Commissioner is required to consult with the board prior to changing or proposing to change fees or regulations. The board will submit an annual report containing its review of the Office to the President, the Commissioner, and Congress.

In addition to the oversight of the Office's operations provided by the advisory board, I have included safeguards to ensure the new PTO remains accountable to Congress and its users. The new Office will have its own inspector general, who will be appointed by the President, to investigate waste, fraud, and abuse. The Office's annual financial statements will be audited by either an independent CPA or the Comptroller General, and the results of such audits shall be provided to Congress. Furthermore, the new PTO is required to submit annual management reports to Congress and business-like budgets to the President. These reports and budgets must include statements on cash flows, operations, financial position, and internal accounting and administrative control systems.

Congress will continue to set the user fees for the new Office, and thus, control, to a large extent, the PTO's revenue stream. This should provide comfort to my colleagues and the PTO's users concerned that, with its newfound freedom, the Office will move into plush offices or pay its employees unwarranted sums. I realize the decision to keep the fee-setting authority with Congress is counter to most government corporations. Hopefully we can revisit this issue in a few years after we see how well the new PTO is performing.

Mr. President, there is one last difference between S. 421 and the bill I introduced 2 years ago that I would like to discuss today and that involves the patent surcharge fee. When Congress created the patent surcharge fee in the Omnibus Budget Reconciliation Act of 1990, it was done to make the Office completely user fee funded, and therefore, to reduce the budget deficit. Although the surcharge, which amounted to an almost 70 percent increase in fees, was intended to be applied only to Patent and Trademark Office uses, Congress has diverted approximately $140 million over the past 6 fiscal years for unrelated purposes. Until this year, the administration has not advocated, nor even supported, such action. In the President's proposed budget for fiscal year 1998, however, over $90 million of the patent surcharge account will be applied for deficit reduction. In following fiscal years, the administration has proposed diverting all of the patent surcharge fees through 2002.

As the ranking Democrat on the Budget Committee, I understand the strain on the administration and on this body to balance the budget. This is a goal supported by colleagues on both sides of the aisle. While I share the administration's budget priorities and commend the President for putting forth a budget that balances in 2002, I regretfully disagree with this component of his budget. Should this proposed diversion be enacted, the PTO would be prevented from hiring over 500 patent examiners this year, and patent pendency rates would double from the current 21 months to an estimated 42 months by 2003. The PTO projects that this delay will reduce PTO's revenues by over $400 million in lost issue and maintenance fees on top of the lost $570 million in surcharge fees. Not only will PTO suffer from this diversion, our economy will as well. Doubling the pendency times will slow the development of new technologies, hurt our productivity, and put us at a competitive disadvantage in the world marketplace.

Mr. President, the legislation I introduced in the last Congress would have ended the patent surcharge fee in October 1, 1998. However, I am now convinced that the PTO needs the fees it should receive from the surcharge to make necessary hires and improvements to the Office's operations. Therefore, S. 421 continues the surcharge but reclassifies it as an ''offsetting collection'' like all other PTO user fees rather than an ''offsetting receipt.'' This modification to the 1990 OBRA would ensure that these fees are only applied toward PTO uses.

Mr. President, although I might disagree with the administration on the surcharge diversion issue, the President and the Vice-President, in particular, deserve commendation for their support of reinventing the Patent and Trademark Office. The Vice President has been a tireless advocate on reforming Government and making it more responsive to the public. It is my understanding that the administration will soon send its own PTO reform legislation to Capitol Hill. The legislation I am introducing today is merely the starting point for discussion and I look forward to working with the administration to advance the concepts I have described above.

I would also like to acknowledge the efforts of my colleagues and former colleagues in both Houses for their contributions on this issue. Unbeknownst to many Members, we came very close to enacting PTO government corporation legislation in the last Congress, largely due to the work of Senator HATCH and former Representatives Moorhead and Schroeder. I am pleased to note that Representative Moorhead's successor, Representative COBLE, has continued the momentum and his Judiciary subcommittee favorably reported out a patent bill last week that contained a PTO government corporation section as well as protection against patent surcharge fee diversion.

Mr. President, I hope my colleagues will support this bill, which will provide the means to improve the Patent and Trademark Office's operations and which will make the Office more accountable to its users. I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Patent and Trademark Office Reform Act''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—UNITED STATES PATENT AND TRADEMARK OFFICE

SEC. 101. ESTABLISHMENT OF PATENT AND TRADEMARK OFFICE AS A GOVERNMENT CORPORATION.

Section 1 of title 35, United States Code, is amended to read as follows:

"§ 1. Establishment

''(a) ESTABLISHMENT.—The United States Patent and Trademark Office is established as a wholly owned Government corporation subject to chapter 91 of title 31, separate from any department of the United States, and shall be an agency of the United States under the policy direction of the Secretary of Commerce. For purposes of internal management, the United States Patent and Trademark Office shall be a corporate body not subject to direction or supervision by any department of the United States, except as otherwise provided in this title.

''(b) OFFICES.—The United States Patent and Trademark Office shall maintain its principal office in the metropolitan Washington, D.C. area, for the service of process and papers and for the purpose of carrying out its functions. The United States Patent and Trademark Office shall be deemed, for purposes of venue in civil actions, to be a resident of the district in which its principal office is located, except where jurisdiction is otherwise provided by law. The United States Patent and Trademark Office may establish satellite offices in such other places as it considers necessary and appropriate in the conduct of its business.

''(c) REFERENCE.—For purposes of this title, the United States Patent and Trademark Office shall also be referred to as the 'Office' and the 'Patent and Trademark Office'.''.

SEC. 102. POWERS AND DUTIES.

Section 2 of title 35, United States Code, is amended to read as follows:

"§ 2. Powers and duties

''(a) IN GENERAL.—The United States Patent and Trademark Office shall be responsible for—

''(1) the granting and issuing of patents and the registration of trademarks;

''(2) conducting studies, programs, or exchanges of items or services regarding domestic and international law of patents, trademarks, and related matters, the administration of the Office, or any other function vested in the Office by law, including programs to recognize, identify, assess, and forecast the technology of patented inventions and their utility to industry;

''(3) authorizing or conducting studies and programs cooperatively with foreign patent and trademark offices and international organizations, in connection with the granting and issuing of patents and the registration of trademarks; and

''(4) disseminating to the public information with respect to patents and trademarks.

''(b) SPECIFIC POWERS.—The Office—

''(1) shall have perpetual succession;

''(2) shall adopt and use a corporate seal, which shall be judicially noticed and with which letters patent, certificates of trademark registrations, and papers issued by the Office shall be authenticated;

''(3) may sue and be sued in its corporate name and be represented by its own attorneys in all judicial and administrative proceedings, subject to the provisions of section 7;

''(4) may indemnify the Commissioner, and other officers, attorneys, agents, and employees (including members of the Management Advisory Board established in section 5) of the Office for liabilities and expenses incurred within the scope of their employment;

''(5) may adopt, amend, and repeal bylaws, rules, regulations, and determinations, which—

''(A) shall govern the manner in which its business will be conducted and the powers granted to it by law will be exercised;

''(B) shall be made after notice and opportunity for full participation by interested public and private parties;

''(C) shall facilitate and expedite the processing of patent applications, particularly those which can be filed, stored, processed, searched, and retrieved electronically, subject to the provisions of section 122 relating to the confidential status of applications; and

''(D) may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office;

''(6) may acquire, construct, purchase, lease, hold, manage, operate, improve, alter, and renovate any real, personal, or mixed property, or any interest therein, as it considers necessary to carry out its functions;

''(7)(A) may make such purchases, contracts for the construction, maintenance, or management and operation of facilities, and contracts for supplies or services, without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 and following), the Public Buildings Act (40 U.S.C. 601 and following), and the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 and following); and

''(B) may enter into and perform such purchases and contracts for printing services, including the process of composition, platemaking, presswork, silk screen processes, binding, microform, and the products of such processes, as it considers necessary to carry out the functions of the Office, without regard to sections 501 through 517 and 1101 through 1123 of title 44;

''(8) may use, with their consent, services, equipment, personnel, and facilities of other departments, agencies, and instrumentalities of the Federal Government, on a reimbursable basis, and cooperate with such other departments, agencies, and instrumentalities in the establishment and use of services, equipment, and facilities of the Office;

''(9) may obtain from the Administrator of General Services such services as the Administrator is authorized to provide to other agencies of the United States, on the same basis as those services are provided to other agencies of the United States;

''(10) when the Commissioner determines that it is practicable, efficient, and cost-effective to do so, may use, with the consent of the United States and the agency, government, or international organization concerned, the services, records, facilities, or personnel of any State or local government agency or instrumentality or foreign government or international organization to perform functions on its behalf;

''(11) may determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to the provisions of this title and the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946');

''(12) may retain and use all of its revenues and receipts, including revenues from the sale, lease, or disposal of any real, personal, or mixed property, or any interest therein, of the Office, including for research and development and capital investment;

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

''(14) may accept monetary gifts or donations of services, or of real, personal, or mixed property, in order to carry out the functions of the Office;

''(15) may execute, in accordance with its bylaws, rules, and regulations, all instruments necessary and appropriate in the exercise of any of its powers; and

''(16) may provide for liability insurance and insurance against any loss in connection with its property, other assets, or operations either by contract or by self-insurance.

''(c) CONSTRUCTION.—Nothing in this section shall be construed to nullify, void, cancel, or interrupt any pending request-for-proposal let or contract issued by the General Services Administration for the specific purpose of relocating or leasing space to the United States Patent and Trademark Office.''.

SEC. 103. ORGANIZATION AND MANAGEMENT.

Section 3 of title 35, United States Code, is amended to read as follows:

"§ 3. Officers and employees

''(a) COMMISSIONER.—

''(1) IN GENERAL.—The management of the United States Patent and Trademark Office shall be vested in a Commissioner of the United States Patent and Trademark Office (in this title referred to as the 'Commissioner'), who shall be a citizen of the United States and who shall be appointed by the President, by and with the advice and consent of the Senate. The Commissioner shall be a person who, by reason of professional background and experience in patent or trademark law, is especially qualified to manage the Office.

''(2) DUTIES.—

''(A) IN GENERAL.—The Commissioner shall be responsible for the management and direction of the Office, including the issuance of patents and the registration of trademarks, and shall perform these duties in a fair, impartial, and equitable manner.

''(B) ADVISING THE PRESIDENT.—The Commissioner shall advise the President, through the Secretary of Commerce, on the operation of the Office.

''(C) CONSULTING WITH THE MANAGEMENT ADVISORY BOARD.—The Commissioner shall consult with the Management Advisory Board established in section 5 on a regular basis on matters relating to the operation of the Office, and shall consult with the Board before submitting budgetary proposals to the Office of Management and Budget or changing or proposing to change patent or trademark user fees or patent or trademark regulations.

''(D) SECURITY CLEARANCES.—The Commissioner, in consultation with the Director of the Office of Personnel Management, shall maintain a program for identifying national security positions and providing for appropriate security clearances.

''(3) TERM.—The Commissioner shall serve a term of 5 years, and may continue to serve after the expiration of the Commissioner's term until a successor is appointed and assumes office. The Commissioner may be reappointed to subsequent terms.

''(4) OATH.—The Commissioner shall, before taking office, take an oath to discharge faithfully the duties of the Office.

''(5) COMPENSATION.—The Commissioner shall receive compensation at the rate of pay in effect for level II of the Executive Schedule under section 5313 of title 5 and, in addition, may receive as a bonus awarded by the Secretary, an amount up to the equivalent of the annual rate of basic pay for such level II, based upon an evaluation by the Secretary of Commerce of the Commissioner's performance as defined in an annual performance agreement between the Commissioner and the Secretary. The annual performance agreement shall incorporate measurable goals as delineated in an annual performance plan agreed to by the Commissioner and the Secretary.

''(6) REMOVAL.—The Commissioner may be removed from office by the President. The President shall provide notification of any such removal to both Houses of Congress.

''(7) DESIGNEE OF COMMISSIONER.—The Commissioner shall designate an officer of the Office who shall be vested with the authority to act in the capacity of the Commissioner in the event of the absence or incapacity of the Commissioner.

''(b) OFFICERS AND EMPLOYEES OF THE OFFICE.—

''(1) ASSISTANT COMMISSIONERS.—The Commissioner shall appoint an Assistant Commissioner for Patents and an Assistant Commissioner for Trademarks for terms that shall expire on the date on which the Commissioner's term expires. The Assistant Commissioner for Patents shall be a person with demonstrated experience in patent law and the Assistant Commissioner for Trademarks shall be a person with demonstrated experience in trademark law. The Assistant Commissioner for Patents and the Assistant Commissioner for Trademarks shall be the principal policy and management advisers to the Commissioner on all aspects of the activities of the Office that affect the administration of patent and trademark operations, respectively.

''(2) OTHER OFFICERS AND EMPLOYEES.—

''(A) IN GENERAL.—The Commissioner shall—

''(i) appoint such officers, employees (including attorneys), and agents of the Office as the Commissioner considers necessary to carry out the functions of the Office;

''(ii) fix the compensation of such officers and employees, except as otherwise provided in this section; and

''(iii) define the authority and duties of such officers and employees and delegate to them such of the powers vested in the Office as the Commissioner may determine.

''(B) LIMITATIONS.—The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation.

''(c) LIMITS ON COMPENSATION.—Except as otherwise provided by law, the annual rate of basic pay of an officer or employee of the Office may not be fixed at a rate that exceeds, and total compensation payable to any such officer or employee for any year may not exceed, the annual rate of basic pay in effect for the Commissioner for that year involved. The Commissioner shall prescribe such regulations as may be necessary to carry out this subsection.

''(d) INAPPLICABILITY OF TITLE 5 GENERALLY.—Except as otherwise provided in this section, officers and employees of the Office shall not be subject to the provisions of title 5 relating to Federal employees.

''(e) CONTINUED APPLICABILITY OF CERTAIN PROVISION OF TITLE 5.—

''(1) IN GENERAL.—The following provisions of title 5 shall apply to the Office and its officers and employees:

''(A) Section 2302 (relating to prohibited personnel practices).

''(B) Section 3110 (relating to employment of relatives; restrictions).

''(C) Subchapter II of chapter 55 (relating to withholding pay).

''(D) Subchapters II and III of chapter 73 (relating to employment limitations and political activities, respectively).

''(E) Chapter 71 (relating to labor-management relations), subject to paragraph (2) and subsection (g).

''(F) Section 3303 (relating to political recommendations).

''(G) Subchapter II of chapter 61 (relating to flexible and compressed work schedules).

''(2) COMPENSATION SUBJECT TO COLLECTIVE BARGAINING.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, for purposes of applying chapter 71 of title 5 pursuant to paragraph (1)(D), basic pay and other forms of compensation shall be considered to be among the matters as to which the duty to bargain in good faith extends under such chapter.

''(B) EXCEPTIONS.—The duty to bargain in good faith shall not, by reason of subparagraph (A), be considered to extend to any benefit under title 5 which is afforded by paragraph (1), (2), (3), or (4) of subsection (f).

''(C) LIMITATIONS APPLY.—Nothing in this subsection shall be considered to allow any limitation under subsection (c) to be exceeded.

''(f) PROVISIONS OF TITLE 5 THAT CONTINUE TO APPLY, SUBJECT TO CERTAIN REQUIREMENTS.—

''(1) RETIREMENT.—(A) The provisions of subchapter III of chapter 83 and chapter 84 of title 5 shall apply to the Office and its officers and employees, subject to subparagraph (B).

''(B)(i) The amount required of the Office under the second sentence of section 8334(a)(1) of title 5 with respect to any particular individual shall, instead of the amount which would otherwise apply, be equal to the normal-cost percentage (determined with respect to officers and employees of the Office using dynamic assumptions, as defined by section 8401(9) of such title) of the individual's basic pay, minus the amount required to be withheld from such pay under such section 8334(a)(1).

''(ii) The amount required of the Office under section 8334(k)(1)(B) of title 5 with respect to any particular individual shall be equal to an amount computed in a manner similar to that specified in clause (i), as determined in accordance with clause (iii).

''(iii) Any regulations necessary to carry out this subparagraph shall be prescribed by the Office of Personnel Management.

''(C) The United States Patent and Trademark Office may supplement the benefits provided under the preceding provisions of this paragraph.

''(2) HEALTH BENEFITS.—(A) The provisions of chapter 89 of title 5 shall apply to the Office and its officers and employees, subject to subparagraph (B).

''(B)(i) With respect to any individual who becomes an officer or employee of the Office pursuant to subsection (h), the eligibility of such individual to participate in such program as an annuitant (or of any other person to participate in such program as an annuitant based on the death of such individual) shall be determined disregarding the requirements of section 8905(b) of title 5. The preceding sentence shall not apply if the individual ceases to be an officer or employee of the Office for any period of time after becoming an officer or employee of the Office pursuant to subsection (h) and before separation.

''(ii) The Government contributions authorized by section 8906 of title 5 for health benefits for anyone participating in the health benefits program pursuant to this subparagraph shall be made by the Office in the same manner as provided under section 8906(g)(2) of title 5 with respect to the United States Postal Service for individuals associated therewith.

''(iii) For purposes of this subparagraph, the term 'annuitant' has the meaning given such term by section 8901(3) of title 5.

''(C) The Office may supplement the benefits provided under the preceding provisions of this paragraph.

''(3) LIFE INSURANCE.—(A) The provisions of chapter 87 of title 5 shall apply to the Office and its officers and employees, subject to subparagraph (B).

''(B)(i) Eligibility for life insurance coverage after retirement or while in receipt of compensation under subchapter I of chapter 81 of title 5 shall be determined, in the case of any individual who becomes an officer or employee of the Office pursuant to subsection (h), without regard to the requirements of section 8706(b) (1) or (2) of such title, but subject to the condition specified in the last sentence of paragraph (2)(B)(i) of this subsection.

''(ii) Government contributions under section 8708(d) of such title on behalf of any such individual shall be made by the Office in the same manner as provided under paragraph (3) thereof with respect to the United States Postal Service for individuals associated therewith.

''(C) The Office may supplement the benefits provided under the preceding provisions of this paragraph.

''(4) EMPLOYEES' COMPENSATION FUND.—(A) Officers and employees of the Office shall not become ineligible to participate in the program under chapter 81 of title 5, relating to compensation for work injuries, by reason of subsection (d).

''(B) The Office shall remain responsible for reimbursing the Employees' Compensation Fund, pursuant to section 8147 of title 5, for compensation paid or payable after the effective date of the Patent and Trademark Office Reform Act in accordance with chapter 81 of title 5 with regard to any injury, disability, or death due to events arising before such date, whether or not a claim has been filed or is final on such date.

''(g) LABOR-MANAGEMENT RELATIONS.—

''(1) LABOR RELATIONS AND EMPLOYEE RELATIONS PROGRAMS.—The Office shall develop labor relations and employee relations programs with the objective of improving productivity, efficiency, and the quality of working life of Office employees, incorporating the following principles:

''(A) Such programs shall be consistent with the merit principles in section 2301(b) of title 5.

''(B) Such programs shall provide veterans preference protections equivalent to those established by sections 2108, 3308 through 3318, and 3320 of title 5.

''(C)(i) The right to work shall not be subject to undue restraint or coercion. The right to work shall not be infringed or restricted in any way based on membership in, affiliation with, or financial support of a labor organization.

''(ii) No person shall be required, as a condition of employment or continuation of employment—

''(I) to resign or refrain from voluntary membership in, voluntary affiliation with, or voluntary financial support of a labor organization;

''(II) to become or remain a member of a labor organization;

''(III) to pay any dues, fees, assessments, or other charges of any kind or amount to a labor organization;

''(IV) to pay to any charity or other third party, in lieu of such payments, any amount equivalent to or a pro rata portion of dues, fees, assessments, or other charges regularly required of members of a labor organization; or

''(V) to be recommended, approved, referred, or cleared by or through a labor organization.

''(iii) This subparagraph shall not apply to a person described in section 7103(a)(2)(v) of title 5 or a 'supervisor', 'management official', or 'confidential employee' as those terms are defined in section 7103(a) (10), (11), and (13) of such title.

''(iv) Any labor organization recognized by the Office as the exclusive representative of a unit of employees of the Office shall represent the interests of all employees in that unit without discrimination and without regard to labor organization membership.

''(2) ADOPTION OF EXISTING LABOR AGREEMENTS.—The Office shall adopt all labor agreements which are in effect, as of the day before the effective date of the Patent and Trademark Office Reform Act, with respect to such Office (as then in effect).

''(h) CARRYOVER OF PERSONNEL.—

''(1) FROM PTO.—Effective as of the effective date of the Patent and Trademark Office Reform Act, all officers and employees of the Patent and Trademark Office on the day before such effective date shall become officers and employees of the Office established under this Act or may be reassigned to the Office of the Under Secretary for Intellectual Property, without a break in service.

''(2) OTHER PERSONNEL.—Any individual who, on the day before the effective date of the Patent and Trademark Office Reform Act, is an officer or employee of the Department of Commerce (other than an officer or employee under paragraph (1)) shall be transferred to the Office if—

''(A) such individual serves in a position for which a major function is the performance of work reimbursed by the Patent and Trademark Office, as determined by the Secretary of Commerce;

''(B) such individual serves in a position that performed work in support of the Patent and Trademark Office during at least half of the incumbent's work time, as determined by the Secretary of Commerce; or

''(C) such transfer would be in the interest of the Office, as determined by the Secretary of Commerce in consultation with the Commissioner.

Any transfer under this paragraph shall be effective as of the same effective date as referred to in paragraph (1), and shall be made without a break in service.

''(3) NONSEPARATION.—No person who becomes an officer or employee of the Office under this subsection shall, for a period of 1 year after the effective date of the Patent and Trademark Office Reform Act, be subject to separation as a consequence of the establishment of the Office.

''(4) ACCUMULATED LEAVE.—The amount of sick and annual leave and compensatory time accumulated under title 5 before the effective date described in paragraph (1), by those becoming officers or employees of the Office pursuant to this subsection, are obligations of the Office.

''(5) TERMINATION RIGHTS.—Any employee referred to in paragraph (1) or (2) of this subsection whose employment with the Office is terminated during the 2-year period beginning on the effective date of the Patent and Trademark Office Reform Act shall be entitled to rights and benefits, to be afforded by the Office, similar to those such employee would have had under Federal law if termination had occurred immediately before such date. An employee who would have been entitled to appeal any such termination to the Merit Systems Protection Board, if such termination had occurred immediately before such effective date, may appeal any such termination occurring within this 2-year period to the board under such procedures as it may prescribe.

''(6) CONTINUATION IN OFFICE OF CERTAIN OFFICERS.—(A) The individual serving as the Assistant Commissioner for Patents on the day before the effective date of the Patent and Trademark Office Reform Act may serve as the Assistant Commissioner for Patents until the date on which an Assistant Commissioner for Patents is appointed under subsection (b).

''(B) The individual serving as the Assistant Commissioner for Trademarks on the day before the effective date of the Patent and Trademark Office Reform Act may serve as the Assistant Commissioner for Trademarks until the date on which an Assistant Commissioner for Trademarks is appointed under subsection (b).

''(i) COMPETITIVE STATUS.—For purposes of appointment to a position in the competitive service for which an officer or employee of the Office is qualified, such officer or employee shall not forfeit any competitive status, acquired by such officer or employee before the effective date of the Patent and Trademark Office Reform Act, by reason of becoming an officer or employee of the Office pursuant to subsection (h).

''(j) SAVINGS PROVISIONS.—

''(1) IN GENERAL.—Compensation, benefits, and other terms and conditions of employment in effect immediately before the effective date of the Patent and Trademark Office Reform Act, whether provided by statute or by rules and regulations of the former Patent and Trademark Office or the executive branch of the Government of the United States, shall continue to apply to officers and employees of the Office, until changed in accordance with this section (whether by action of the Director or otherwise).

''(2) PROVISIONS SPECIFIC TO BASIC PAY.—(A) With respect to any individual who becomes an officer or employee of the Office pursuant to subsection (h), the rate of basic pay for such officer or employee may not, on or after the effective date of the Patent and Trademark Office Reform Act, be less than the rate in effect immediately before such effective date, except—

''(i) pursuant to a collective-bargaining agreement entered into under this section; or

''(ii) for inefficiency, neglect of duty, or misconduct, on the part of such individual.

''(B) For purposes of this paragraph, the term 'basic pay' includes any amount considered to be part of basic pay for purposes of subchapter III of chapter 83 or chapter 84 of title 5.

''(k) REMOVAL OF QUASI-JUDICIAL EXAMINERS.—The Office may remove a patent examiner or examiner-in-chief, or a trademark examiner or member of a Trademark Trial and Appeal Board, only for such cause as will promote the efficiency of the Office.''.

SEC. 104. MANAGEMENT ADVISORY BOARD.

Chapter 1 of part I of title 35, United States Code, is amended by inserting after section 4 the following:

''§ 5. Patent and Trademark Office Management Advisory Board

''(a) ESTABLISHMENT OF MANAGEMENT ADVISORY BOARD.—

''(1) APPOINTMENT.—The United States Patent and Trademark Office shall have a Management Advisory Board (hereafter in this title referred to as the 'Board') of 12 members, 4 of whom shall be appointed by the President, 4 of whom shall be appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives, and 4 of whom shall be appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

''(2) TERMS.—Members of the Board shall be appointed for a term of 4 years each, except that of the members first appointed by each appointing authority, 1 shall be for a term of 1 year, 1 shall be for a term of 2 years, and 1 shall be for a term of 3 years. No member may serve more than 1 term.

''(3) CHAIR.—The President shall designate the chair of the Board, whose term as chair shall be for 4 years.

''(4) TIMING OF APPOINTMENTS.—Initial appointments to the Board shall be made within 3 months after the effective date of the Patent and Trademark Office Reform Act, and vacancies shall be filled within 3 months after they occur.

''(5) VACANCIES.—Vacancies shall be filled in the manner in which the original appointment was made under this subsection. Members appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor is appointed.

''(6) COMMITTEES.—The Chair shall designate members of the Board to serve on a committee on patent operations and on a committee on trademark operations to perform the duties set forth in subsection (e) as they relate specifically to the Office's patent operations, and the Office's trademark operations, respectively.

''(b) BASIS FOR APPOINTMENTS.—Members of the Board shall be citizens of the United States who shall be chosen so as to represent the interests of diverse users of the United States Patent and Trademark Office, and shall include individuals with substantial background and achievement in corporate finance and management.

''(c) APPLICABILITY OF CERTAIN ETHICS LAWS.—Members of the Board shall be special Government employees within the meaning of section 202 of title 18.

''(d) MEETINGS.—The Board shall meet at least quarterly and at any time at the call of the chair to consider an agenda set by the chair.

''(e) DUTIES.—The Board shall—

''(1) review the policies, goals, performance, budget, and user fees of the United States Patent and Trademark Office, and advise the Commissioner on these matters; and

''(2) within 60 days after the end of each fiscal year, prepare an annual report on the

matters referred to in paragraph (1), transmit the report to the President, the Commissioner, and the Committees on the Judiciary of the Senate and the House of Representatives, and publish the report in the Patent and Trademark Office Official Gazette.

''(f) COMPENSATION.—Members of the Board shall be compensated for each day (including travel time) during which they are attending meetings or conferences of the Board or otherwise engaged in the business of the Board, at the rate which is the daily equivalent of the annual rate of basic pay in effect for level III of the Executive Schedule under section 5314 of title 5, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5.

''(g) ACCESS TO ASSISTANCE AND INFORMATION.—

''(1) ASSISTANCE.—The Office shall provide at the request of the Board such assistance as is necessary for the Board to perform its functions.

''(2) INFORMATION.—Members of the Board shall be provided access to records and information in the United States Patent and Trademark Office, except for personnel or other privileged information and information concerning patent applications required to be kept in confidence by section 122.''.

SEC. 105. CONFORMING AMENDMENTS.

(a) DUTIES.—Chapter 1 of title 35, United States Code, is amended by striking section 6.

(b) REGULATIONS FOR AGENTS AND ATTORNEYS.—Section 31 of title 35, United States Code, and the item relating to such section in the table of sections for chapter 3 of title 35, United States Code, are repealed.

SEC. 106. TRADEMARK TRIAL AND APPEAL BOARD.

Section 17 of the Act of July 5, 1946 (commonly referred to as the ''Trademark Act of 1946'') (15 U.S.C. 1067) is amended to read as follows:

''SEC. 17. (a) In every case of interference, opposition to registration, application to register as a lawful concurrent user, or application to cancel the registration of a mark, the Commissioner shall give notice to all parties and shall direct a Trademark Trial and Appeal Board to determine and decide the respective rights of registration.

''(b) The Trademark Trial and Appeal Board shall include the Commissioner, the Assistant Commissioner for Patents, the Assistant Commissioner for Trademarks, and members competent in trademark law who are appointed by the Commissioner.''.

SEC. 107. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 1 of title 35, United States Code, is amended by striking section 7 and inserting after section 5 the following:

''§ 6. Board of Patent Appeals and Interferences

''(a) ESTABLISHMENT AND COMPOSITION.—There shall be in the United States Patent and Trademark Office a Board of Patent Appeals and Interferences. The Commissioner, the Assistant Commissioner for Patents, the Assistant Commissioner for Trademarks, and the examiners-in-chief shall constitute the Board. The examiners-in-chief shall be persons of competent legal knowledge and scientific ability.

''(b) DUTIES.—The Board of Patent Appeals and Interferences shall, on written appeal of an applicant, review adverse decisions of examiners upon applications for patents and shall determine priority and patentability of invention in interferences declared under section 135(a). Each appeal and interference shall be heard by at least 3 members of the Board, who shall be designated by the Commissioner. Only the Board of Patent Appeals and Interferences may grant rehearings.''.

SEC. 108. SUITS BY AND AGAINST THE OFFICE.

Chapter 1 of part I of title 35, United States Code, is amended by inserting after section 6 the following new section:

''§ 7. Suits by and against the Office

''(a) ACTIONS UNDER UNITED STATES LAW.—Any civil action or proceeding to which the United States Patent and Trademark Office is a party is deemed to arise under the laws of the United States. The Federal courts shall have exclusive jurisdiction over all civil actions by or against the Office.

''(b) REPRESENTATION BY THE DEPARTMENT OF JUSTICE.—The United States Patent and Trademark Office shall be deemed an agency of the United States for purposes of section 516 of title 28.

''(c) PROHIBITION ON ATTACHMENT, LIENS, ETC.—No attachment, garnishment, lien, or similar process, intermediate or final, in law or equity, may be issued against property of the Office.''.

SEC. 109. ANNUAL REPORT OF COMMISSIONER.

Section 14 of title 35, United States Code, is amended to read as follows:

''§ 14. Annual report to Congress

''Not later than 180 days after the end of each fiscal year, the Commissioner shall report to Congress the moneys received and expended by the Office, the purposes for which the moneys were spent, the quality and quantity of the work of the Office, and other information relating to the Office. The report under this section shall also meet the requirements of section 9106 of title 31, to the extent that such requirements are not inconsistent with the preceding sentence. The report required under this section shall be deemed to be the report of the United States Patent and Trademark Office under section 9106 of title 31, and the Commissioner shall not file a separate report under such section.''.

SEC. 110. SUSPENSION OR EXCLUSION FROM PRACTICE.

Section 32 of title 35, United States Code, is amended by inserting before the last sentence the following: ''The Commissioner shall have the discretion to designate any attorney who is an officer or employee of the United States Patent and Trademark Office to conduct the hearing required by this section.''.

SEC. 111. FUNDING.

(a) IN GENERAL.—Chapter 4 of title 35, United States Code, is amended by striking section 42 and inserting the following:

''§ 42. Patent and Trademark Office funding

''(a) FEES PAYABLE TO THE OFFICE.—All fees for services performed by or materials furnished by the United States Patent and Trademark Office shall be payable to the Office.

''(b) USE OF MONEYS.—Moneys from fees shall be available to the United States Patent and Trademark Office to carry out the functions of the Office. Moneys of the Office not otherwise used to carry out the functions of the Office shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed by the United States, or in obligations or other instruments which are lawful investments for fiduciary, trust, or public funds. Fees available to the Office under this title shall be used for the processing of patent applications and for other services and materials relating to patents. Fees available to the Office under section 31 of the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946'; 15 U.S.C. 1113), shall be used only for the processing of trademark registrations and for other services and materials relating to trademarks.

''(c) BORROWING AUTHORITY.—The United States Patent and Trademark Office is authorized to issue from time to time for purchase by the Secretary of the Treasury its debentures, bonds, notes, and other evidences of indebtedness (hereafter in this subsection referred to as 'obligations') to assist in financing its activities. Borrowing under this subsection shall be subject to prior approval in appropriations Acts. Such borrowing shall not exceed amounts approved in appropriation Acts. Any borrowing under this subsection shall be repaid only from fees paid to the Office. Such obligations shall be redeemable at the option of the Office before maturity in the manner stipulated in such obligations and shall have such maturity as is determined by the Office with the approval of the Secretary of the Treasury. Each such obligation issued to the Treasury shall bear interest at a rate not less than the current yield on outstanding marketable obligations of the United States of comparable maturity during the month preceding the issuance of the obligation as determined by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligations of the Office issued under this subsection and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under that chapter are extended to include such purpose. Payment under this subsection of the purchase price of such obligations of the United States Patent and Trademark Office shall be treated as public debt transactions of the United States.

''(d) REFUND.—The Commissioner may refund any fee paid by mistake or any amount paid in excess of that required.''.

(b) EXTENSION OF SURCHARGES ON PATENT FEES.—

(1) IN GENERAL.—Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking subsections (a) through (c) and inserting the following:

''(a) SURCHARGES.—There shall be a surcharge on all fees authorized by subsections (a) and (b) of section 41 of title 35, United States Code, in order to ensure that the amounts specified in subsection (c) are collected.

''(b) USE OF SURCHARGES.—Notwithstanding section 3302 of title 31, United States Code, all surcharges collected by the United States Patent and Trademark Office—

''(1) shall be credited to a separate account established in the Treasury and ascribed to the United States Patent and Trademark Office activities in the Department of Commerce as offsetting collections;

''(2) shall be collected by and made available to the United States Patent and Trademark Office for all authorized activities and operations of the Office, including all direct and indirect costs of services provided by the Office; and

''(3) shall remain available until expended.

''(c) ESTABLISHMENT OF SURCHARGES.—The Commissioner of the United States Patent and Trademark Office shall establish surcharges under subsection (a), subject to the provisions of section 553 of title 5, United States Code, in order to ensure that $119,000,000, but not more than $119,000,000, are collected in fiscal year 1999 and each fiscal year thereafter.

''(d) APPROPRIATIONS ACT REQUIRED.—Notwithstanding subsections (a) through (c), no fee established by subsection (a) shall be collected nor shall be available for spending without prior authorization in appropriations Acts.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 1998.

SEC. 112. AUDITS.

Chapter 4 of title 35, United States Code, is amended by adding at the end the following new section:

''§ 43. Audits

''(a) IN GENERAL.—Financial statements of the United States Patent and Trademark Office shall be prepared on an annual basis in accordance with generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant chosen by the Commissioner. The audit shall be conducted in accordance with standards that are consistent with generally accepted Government auditing standards and other standards established by the Comptroller General, and with the generally accepted auditing standards of the private sector, to the extent feasible. The Commissioner shall transmit to the Committees on the Judiciary of the House of Representatives and the Senate the results of each audit under this subsection.

''(b) REVIEW BY COMPTROLLER GENERAL.—The Comptroller General may review any audit of the financial statement of the United States Patent and Trademark Office that is conducted under subsection (a). The Comptroller General shall report to Congress and the Office the results of any such review and shall include in such report appropriate recommendations.

''(c) AUDIT BY COMPTROLLER GENERAL.—The Comptroller General may audit the financial statements of the Office and such audit shall be in lieu of the audit required by subsection (a). The Office shall reimburse the Comptroller General for the cost of any audit conducted under this subsection.

''(d) ACCESS TO OFFICE RECORDS.—All books, financial records, report files, memoranda, and other property that the Comptroller General deems necessary for the performance of any audit shall be made available to the Comptroller General.

''(e) APPLICABILITY IN LIEU OF TITLE 31 PROVISIONS.—This section applies to the Office in lieu of the provisions of section 9105 of title 31.''.

SEC. 113. TRANSFERS.

(a) TRANSFER OF FUNCTIONS.—Except to the extent that such functions, powers, and duties relate to the direction of patent or trademark policy, there are transferred to, and vested in, the United States Patent and Trademark Office all functions, powers, and duties vested by law in the Secretary of Commerce or the Department of Commerce or in the officers or components in the Department of Commerce with respect to the authority to grant patents and register trademarks, and in the Patent and Trademark Office, as in effect on the day before the effective date of this Act, and in the officers and components of such Office.

(b) TRANSFER OF FUNDS AND PROPERTY.—The Secretary of Commerce shall transfer to the United States Patent and Trademark Office, on the effective date of this Act, so much of the assets, liabilities, contracts, property, records, and unexpended and unobligated balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available to the Department of Commerce, including funds set aside for accounts receivable, which are related to functions, powers, and duties which are vested in the United States Patent and Trademark Office by this Act.

SEC. 114. NONAPPLICABILITY OF FEDERAL WORKFORCE REDUCTIONS.

No full-time equivalent position in the United States Patent and Trademark Office shall be eliminated to meet the requirements of section 5 of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 3101 note).

TITLE II—EFFECTIVE DATE; TECHNICAL AMENDMENTS

SEC. 201. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 4 months after the date of the enactment of this Act.

SEC. 202. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE 35.—

(1) The item relating to part I in the table of parts for chapter 35, United States Code, is amended to read as follows:

''I. United States Patent and Trademark Office ..... 1''.

(2) The heading for part I of title 35, United States Code, is amended to read as follows:

''PART I—UNITED STATES PATENT AND TRADEMARK OFFICE''.

(3) The table of chapters for part I of title 35, United States Code, is amended by amending the item relating to chapter 1 to read as follows:

''1. Establishment, Officers and Employees, Functions ..... 1''.

(4) The table of sections for chapter 1 of title 35, United States Code, is amended to read as follows:

''CHAPTER 1—ESTABLISHMENT, OFFICERS AND EMPLOYEES, FUNCTIONS

''Sec.
''1. Establishment.
''2. Powers and duties.
''3. Officers and employees.
''4. Restrictions on officers and employees as to interest in patents.
''5. Patent and Trademark Office Management Advisory Board.
''6. Board of Patent Appeals and Interferences.
''7. Suits by and against the Office.
''8. Library.
''9. Classification of patents.
''10. Certified copies of records.
''11. Publications.
''12. Exchange of copies of patents with foreign countries.
''13. Copies of patents for public libraries.
''14. Annual report to Congress.''.

(5) The table of sections for chapter 4 of title 35, United States Code, is amended by adding after the item relating to section 42 the following:

''43. Audits.''.

(6) Section 41(a)(8)(A) of title 35, United States Code, is amended by striking ''On'' and inserting ''on''.

(b) OTHER PROVISIONS OF LAW.—

(1) Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

''(R) the United States Patent and Trademark Office.''.

(2) Section 500(e) of title 5, United States Code, is amended by striking ''Patent Office'' and inserting ''United States Patent and Trademark Office''.

(3) Section 5102(c)(23) of title 5, United States Code, is amended by striking ''Patent and Trademark Office, Department of Commerce'' and inserting ''United States Patent and Trademark Office''.

(4) Section 5314 of title 5, United States Code, is amended by adding at the end the following:

''Under Secretary for Intellectual Property, Department of Commerce.''.

(5) Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Inspector General, United States Patent and Trademark Office.''.

(6) Section 5316 of title 5, United States Code (5 U.S.C. 5316) is amended by striking ''Commissioner of Patents, Department of Commerce.'', ''Deputy Commissioner of Patents and Trademarks.'', ''Assistant Commissioner for Patents.'', and ''Assistant Commissioner for Trademarks.''.

(7) Section 9(p)(1)(B) of the Small Business Act (15 U.S.C. 638(p)(1)(B)) is amended to read as follows:

''(B) the Commissioner of the United States Patent and Trademark Office; and''.

(8) Section 12 of the Act of February 14, 1903 (15 U.S.C. 1511) is amended by striking ''(d) Patent and Trademark Office;'' and redesignating subsections (a) through (g) as paragraphs (1) through (6), respectively.

(9) Section 1127 of title 15, United States Code, is amended by striking ''Commissioner of Patents and Trademarks'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(10) Section 19 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831r) is amended—

(A) by striking ''Patent and Trademark Office of the United States'' and inserting ''United States Patent and Trademark Office''; and

(B) by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(11) Section 182(b)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2242(b)(2)(A)) is amended by striking ''Commissioner of Patents and Trademarks'' and inserting ''Under Secretary for Intellectual Property''.

(12) Section 302(b)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)(D)) is amended by striking ''Commissioner of Patents and Trademarks'' and inserting ''Under Secretary for Intellectual Property''.

(13) The Act of April 12, 1892 (27 Stat. 395; 20 U.S.C. 91) is amended by striking ''Patent Office'' and inserting ''United States Patent and Trademark Office''.

(14) Sections 505(m) and 512(o) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(m) and 360b(o)) are each amended by striking ''Patent and Trademark Office of the Department of Commerce'' and inserting ''United States Patent and Trademark Office''.

(15) Section 702(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372(d)) is amended by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(16) Section 2151t–1(b)(1) of title 22, United States Code, is amended by striking ''Patent and Trademark Office'' and inserting ''Under Secretary for Intellectual Property''.

(17) Section 105(e) of the Federal Alcohol Administration Act (27 U.S.C. 205(e)) is amended by striking ''United States Patent Office'' and inserting ''United States Patent and Trademark Office''.

(18) Section 1744 of title 28, United States Code is amended—

(A) by striking ''Patent Office'' each place it appears in the text and section heading and inserting ''United States Patent and Trademark Office''; and

(B) by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(19) Section 1295(a)(4) of title 28, United States Code, is amended—

(A) in subparagraph (A) by inserting ''United States'' before ''Patent and Trademark''; and

(B) in subparagraph (B) by striking ''Commissioner of Patents and Trademarks'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(20) Section 1745 of title 28, United States Code, is amended by striking ''United States Patent Office'' and inserting ''United States Patent and Trademark Office''.

(21) Section 1928 of title 28, United States Code, is amended by striking ''Patent Office'' and inserting ''United States Patent and Trademark Office''.

(22) Section 151 of the Atomic Energy Act of 1954 (42 U.S.C. 2181) is amended in subsections c. and d. by striking ''Commissioner of Patents and Trademarks'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(23) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is amended by striking ''Commissioner of Patents and Trademarks'' each place it appears and inserting ''Commissioner of the United States Patent and Trademark Office''.

(24) Section 160 of the Atomic Energy Act of 1954 (42 U.S.C. 2190) is amended—

(A) by striking ''United States Patent Office'' and inserting ''United States Patent and Trademark Office''; and

(B) by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(25) Section 305(c) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(c)) is amended by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(26) Section 12(a) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5510(a)) is amended by striking ''Commissioner of the Patent Office'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(27) Section 1111 of title 44, United States Code, is amended by striking ''the Commissioner of Patents,''.

(28) Section 1114 of title 44, United States Code, is amended by striking ''the Commissioner of Patents,''.

(29) Section 1123 of title 44, United States Code, is amended by striking ''the Patent Office,''.

(30) Sections 1337 and 1338 of title 44, United States Code, and the items relating to those sections in the table of contents for chapter 13 of such title, are repealed.

(31) Section 10(i) of the Trading With the Enemy Act (50 U.S.C. App. 10(i)) is amended by striking ''Commissioner of Patents'' and inserting ''Commissioner of the United States Patent and Trademark Office''.

(32) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1)—

(i) by striking ''and'' before ''the chief executive officer of the Resolution Trust Corporation;'';

(ii) by striking ''and'' before ''the Chairperson of the Federal Deposit Insurance Corporation;'';

(iii) by striking ''or'' before ''the Commissioner of Social Security,''; and

(iv) by inserting ''or the Commissioner of the United States Patent and Trademark Office;'' after ''Social Security Administration;''; and

(B) in paragraph (2)—

(i) by striking ''or'' before ''the Veterans' Administration,''; and

(ii) by striking ''or the Social Security Administration'' and inserting ''the Social Security Administration, or the United States Patent and Trademark Office''.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. REFERENCES.

Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a department or office from which a function is transferred by this Act—

(1) to the head of such department or office is deemed to refer to the head of the department or office to which such function is transferred; or

(2) to such department or office is deemed to refer to the department or office to which such function is transferred.

SEC. 302. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred by this Act may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function under this Act.

SEC. 303. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Commerce, any officer or employee of any office transferred by this Act, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred by this Act, and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date),

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—This Act shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the effective date of this Act before an office transferred by this Act, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(c) SUITS.—This Act shall not affect suits commenced before the effective date of this Act, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Commerce or the Secretary of Commerce, or by or against any individual in the official capacity of such individual as an officer or employee of an office transferred by this Act, shall abate by reason of the enactment of this Act.

(e) CONTINUANCE OF SUITS.—If any Government officer in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this Act such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.—Except as otherwise provided by this Act, any statutory requirements relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred by this Act shall apply to the exercise of such function by the head of the Federal agency, and other officers of the agency, to which such function is transferred by this Act.

SEC. 304. TRANSFER OF ASSETS.

Except as otherwise provided in this Act, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to an official or agency by this Act shall be available to the official or the head of that agency, respectively, at such time or times as the Director of the Office of Management and Budget directs for use in connection with the functions transferred.

SEC. 305. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this Act, an official to whom functions are transferred under this Act (including the head of any office to which functions are transferred under this Act) may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this section or under any other provision of this Act shall relieve the official to whom a function is transferred under this Act of responsibility for the administration of the function.

SEC. 306. AUTHORITY OF DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO FUNCTIONS TRANSFERRED.

(a) DETERMINATIONS.—If necessary, the Director of the Office of Management and Budget shall make any determination of the functions that are transferred under this Act.

(b) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this Act. The Director shall provide for the termination of the affairs of all entities terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

SEC. 307. CERTAIN VESTING OF FUNCTIONS CONSIDERED TRANSFERS.

For purposes of this Act, the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of the function.

SEC. 308. AVAILABILITY OF EXISTING FUNDS.

Existing appropriations and funds available for the performance of functions, programs, and activities terminated pursuant to this Act shall remain available, for the duration of their period of availability, for necessary expenses in connection with the termination and resolution of such functions, programs, and activities.

SEC. 309. DEFINITIONS.

For purposes of this Act—

(1) the term ''function'' includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(2) the term ''office'' includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

TITLE IV—UNDER SECRETARY FOR INTELLECTUAL PROPERTY

SEC. 401. UNDER SECRETARY FOR INTELLECTUAL PROPERTY.

(a) APPOINTMENT.—There is established in the Department of Commerce, an Under Secretary for Intellectual Property, who shall be appointed by the President by and with the advice and consent of the Senate. Pending appointment of the Under Secretary by and with the advice and consent of the Senate, the individual serving as Commissioner of Patents and Trademarks prior to the enactment of the Act shall perform the functions of the Under Secretary.

(b) FUNCTIONS.—The Under Secretary for Intellectual Property, under the direction of the Secretary of Commerce, shall—

(1) advise the President, through the Secretary of Commerce, on national and international intellectual property policy issues;

(2) advise the Secretary of Commerce on international trade issues concerning intellectual property;

(3) promote in international trade the United States industries that rely on intellectual property;

(4) advise Federal agencies on ways to improve intellectual property protection in other countries through economic assistance and international trade;

(5) review and coordinate all proposals by agencies to assist foreign governments and international intergovernmental agencies in improving intellectual property protection;

(6) carry on studies related to the effectiveness of intellectual property protection throughout the world; and

(7) in coordination with the Department of State, carry on studies cooperatively with foreign intellectual property offices and international organizations.

(c) CONSULTATION.—In connection with the performance of this section, the Under Secretary for Intellectual Property shall, in advance of major policy initiatives, consult with the Commissioner of the United States Patent and Trademark Office and the Register of Copyrights.●

By Mr. DOMENICI (for himself, Mr. JEFFORDS, and Mr. DODD):

S. 422. A bill to define the circumstances under which DNA samples may be collected, stored, and analyzed, and genetic information may be collected, stored, analyzed, and disclosed, to define the rights of individuals and persons with respect to genetic information, to define the responsibilities of persons with respect to genetic information, to protect individuals and families from genetic discrimination, to establish uniform rules that protect individual genetic privacy, and to establish effective mechanisms to enforce the rights and responsibilities established under this act; to the Committee on Labor and Human Resources.

THE GENETIC CONFIDENTIALITY AND NONDISCRIMINATION ACT OF 1997

Mr. DOMENICI. Mr. President, fellow Senators, I rise today to introduce a measure, the title of which will be the Genetic Confidentiality and Nondiscrimination Act of 1997.

Let me just suggest, during the last 2 weeks at every turn we have seen and heard reports of the latest achievements in the advancement of genetic technologies. Man has been controlling the genetics of domestic animals and plants for many thousands of years, but the latest announcements about the cloning of sheep and monkeys have been particularly dramatic. Most of the drama arises from the media speculation that follows about the possibility of cloning human beings.

Such an event is widely viewed as next to impossible because the scientific community and officers of Federal funding and oversight vigorously reject the concept of creating genetic copies of human beings. But what these new events do bring home to us, and what is of significance to us, is that genetics is important in our daily lives now.

Let me suggest that the time has come to protect information about human genetics that has been obtained by researchers or otherwise from individual human beings, individual citizens of this country.

I have a rather detailed bill, in which Senator DODD is joining me, as is Senator JEFFORDS, the chairman of the Labor, Health and Human Resources Committee. This will actually say that what we are going to have to get is the consent of the person whose genetic information we intend to use in almost any way. We know that genetic information is just as significant as fingerprints of the past in terms of identifying people.

Much can be determined about a person's life, about a person's future, from genetic information. Now is the time to have a serious debate in the U.S. Congress about how that information should be protected. The bill which I introduce will begin that dialogue in the appropriate committee.

I send to the desk the bill. For those who have been giving us constructive information about it, this is the very last draft after many people in industry, in the biotechnology community, and in the community of genetics have given us information. I have a side by side on this bill and a detailed statement explaining it. I send them all to the desk and ask that the bill be referred to the appropriate committee.

Now I yield to my good friend, Senator DODD, from Connecticut.

Mr. DODD. Mr. President, I thank my colleague for yielding. Let me begin my brief remarks by commending our colleague from New Mexico for, once again, taking leadership on a significant health issue. I have had the privilege, Mr. President, of working with my colleague from New Mexico, Senator DOMENICI, on numerous issues, most recently things like frivolous lawsuits and mental health. I am delighted to join him as a principal cosponsor of this proposal of the Genetic Confidentiality and Nondiscrimination Act of 1997.

Mr. President, this legislation is critically important. It deals with basic concerns that people have today. It is of critical importance to our country, important to individuals and to researchers. We are not claiming here this is perfect, but the kind of work that Senator DOMENICI has done already, in communication with those who would be most directly interested in the legislation, I think has taken us a long way.

We are fortunate, Mr. President, to live in an extraordinary—an extraordinary—crossroads in the history of our Nation and, indeed, of our species. I can only compare it, Mr. President, to the dawn of the nuclear age. Then, by the elemental act of splitting an atom, we became able to generate seemingly unlimited energy but, also, as we all know, the ability to destroy all forms of human life.

Today, Mr. President, we stand at the dawn of the genetic age and once again confront heretofore unknown power over our destiny on this small planet. The recent reports of the cloning of mammals places this power in sharp relief. Within a few short years, Mr. President, the human genome project will decipher the entire human genetic code. The entire genetic human code will be deciphered in our lifetime, providing a blueprint of a human being's most personal and potent information.

This blueprint, Mr. President, will hopefully allow us to understand and remedy illnesses in all its forms. We are already reaping some of the benefits of this newfound knowledge of our genetic makeup. Genetic testing, as many are already aware, is available for several serious diseases and illnesses, including breast cancer and colon cancer. Armed with this genetic information, individuals can take additional steps to safeguard their health. For instance, more frequent screenings and checkups.

However, Mr. President, it will allow the exploitation of the human frailty to which one might be genetically predisposed, and concerns have been raised about the privacy of this information. Many Americans are concerned that dissemination of this information could lead to job discrimination and difficulty in getting or maintaining health insurance or life insurance. These are important issues.

Clearly, in this area of increasing medical technology, we must be able to ensure a balance between scientific advancement and the privacy rights of individuals. This bill that my colleague from New Mexico has offered begins that critical process. It requires strict informed consent procedures while allowing genetic scientific research to continue. Specifically, this legislation provides protections against unwarranted disclosure of genetic information to employers and insurance companies.

Mr. President, I am cosponsoring this legislation because I believe it is important that we address these issues today rather than wait. I know some have voiced concerns about this legislation. We hear them. We recognize this is a complex area of law with many important interests at stake. In fact, Mr. President, we will be having a hearing in the Labor Committee this week on the issue of cloning, to which

our colleague from New Mexico will be testifying—not specifically about this bill, but I suspect this bill may be the subject of some dialog in that hearing.

So we are already beginning to look to try and raise the questions that people, I think, would want us to address, protecting people's privacy rights, so that that information that we are able to glean will not be misused. I think this is an important step in that effort. I commend my colleague from New Mexico. I am delighted to cosponsor his bill.

The PRESIDING OFFICER. The time has expired.

Mr. DOMENICI. I ask unanimous consent for an additional minute.

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

Mr. DOMENICI. Mr. President, I did not, in my statement, mean to tie cloning into this bill. It is just that all of that is part of this explosion of the science of genetics and its application for various aspects of both human and animal life in America and in the world.

Let me suggest that if we are going to continue research, we have this major American project called the Genome Project wherein all of the chromosomes of the human being are going to be mapped, all 23 pairs of them. We will know where most of the diseases are located within the chromosome system of the human being. Our scientists can then take this information and begin the long journey toward curing most of humankind's serious diseases over time.

While all that is going on, the one thing we do not need, we do not need an abuse of the information by either researchers, scientists, insurance companies or the like, such that it would excite the American people to turn against such research. One thing we ought to do in that regard is pass some kind of protection for genetic information. That is what this bill attempts to do.

Obviously, there is a whole field of ethics that must be really put together and nourished across the land regarding this, or we will cause breakouts to occur in terms of abuse of genetic information, all of which could be very harmful to the greatest wellness effort in humankind, in human history. That is, finding out the basic genetic structure of the human being.

Mr. President, during the past 2 weeks, at every turn, we have been seen and heard reports of the latest achievement in the advance of genetic technologies. Man has been controlling the genetics of domestic animals and plants for many thousands of years, but the latest announcements about cloning sheep and monkeys have been particularly dramatic. And most of the drama arises from the media speculation that follows about the possibility of cloning humans. Such an event is widely viewed as next to impossible because the scientific community and offices of Federal funding and oversight vigorously reject the concept of creating genetic copies of human beings. But what these new events do bring home to us is the grave significance of genetics in our daily lives.

I rise today to revisit a timely and momentous issue in the discovery and elucidation of human genetic information—the issue of genetic confidentiality and nondiscrimination.

The human genome project is rapidly proceeding toward its goal of deciphering the human genetic code. Current projections tell us that the goal of reading the entire genetic script of 3 billion nucleotides and some 100,000 genes of the human genome will be reached by the year 2005, which will be several years earlier than was initially projected when the project was undertaken in 1990.

When the project is complete, we will have knowledge of man's complete genetic blueprint—a blueprint that is the most personal and most private information that any human being can have.

We will have a wealth of knowledge of how our countless individual traits are determined. And perhaps more important, we will have fundamental knowledge about the 3,000 or more genes that can cause sickness and sometimes even death. And we will have realized one of mankind's greatest scientific achievements.

At the time the human genome project was first brought to my attention 11 years ago, I realized that deciphering our genetic code would have immense implications for our medical welfare. But equally important, if not more so, were the implications of genetic information with respect to ethics and the law. This is why I insisted that the budget for the human genome project include funds specifically allocated for addressing the ethical, legal, and social implications of our new genetic technologies.

Now that we have the know-how to generate genetic information on individuals and their families, we find ourselves asking some very basic questions about who has a right to control access to personal genetic information. Should our personal physicians know this information? Our families and friends? Our insurers and employers? As we begin to consider these questions, we find that they are deeply troublesome issues that reach into the lives of many Americans.

Today I place before you a bill that addresses the broad issues of genetic confidentiality and nondiscrimination. This legislation will affirm the right of the individual to have some control over his or her most personal information. To be sure, much of our genetic information is similar—even identical—among all human beings. This is what makes us all members of the family of man. But much of our genetic information is also unique—it is the information that makes each human distinct from all others. And it is information that can be deciphered from cells in a drop of blood or cells that are stored in a laboratory after we have medical tests.

Our personal and unique genetic information is the essence of our individuality. And today we seek to protect this information from public scrutiny or disclosure without the express consent of the individual who is the source of the information.

So, today, I, and my colleagues, Senator JEFFORDS and Senator DODD introduce the Genetic Confidentiality and Nondiscrimination Act of 1997. This legislation is designed to reinforce the statutes that some 19 state legislatures have enacted. This legislation echoes the concerns of many of my colleagues in this Chamber as we all seek to come to grips with this pressing and ubiquitous issue. I hope that this bill will invite exhaustive debate and legislative review, so that we will achieve a firm national standard for individual privacy with respect to genetic information.

The bill that I introduce today focuses on two areas of serious concern.

The first issue is the relationship between the interests of genetics research and the individuals who selflessly participate as subjects in hundreds of genetics research projects. The past year, 1996, witnessed the 50th anniversary of the birth of the Nuremberg Code and the public acknowledgement of the doctrine of informed consent for participation in research. Over this half century, we have repeatedly affirmed the right of the individual to be fully informed about any research project that he or she is asked to participate in and to give voluntary consent to participation.

In this present bill we will extend the concept of informed consent to give each individual the right to control the deciphering of his or her most personal information and the disclosure of that information to other persons. And we will create a partnership between researchers and the people—the subjects—who are the foundation of research in genetics.

We might consider a recent example of genetic testing that was carried out on a collection of samples that had been retained for some years in a genetics laboratory. These samples had been gathered for the purpose of detecting carriers of a recessive gene for Tay Sachs disease, a disease that invariably causes the death of infants who get a double dose of the gene, one from each parent. The more recent question concerned the frequency of one of the breast cancer genes in that population. So samples that were originally collected for one purpose were later used for another purpose, without the permission of the people who had donated the samples and without the possibility of getting any new information back to the people who had donated the samples.

Both protection and partnership are critical as we continue to define our genetic legacies, particularly because

genetics has implications in many facets of our everyday lives, including medicine, employment, insurance, education, forensics, finance, and even our own self-perceptions.

The second issue addressed in this legislation is the relationship between individuals, on the one hand, and employers and health insurers, on the other. This legislation will very simply preclude employers or health insurers from requesting or requiring genotype information as a condition of employment or health insurance.

Many people in our society have already been discriminated against because other people had access to information about their genes. We want to avoid any more situations in which healthy people are denied employment or insurance when they disclose information about their genes. Consider, for example, the man who acknowledged that he had genes for hemochromatosis. This is a disease that can be devastating if untreated, but it can be successfully treated. This man was successfully treated and was completely healthy, but he was denied insurance simply because of his genes, and this should not happen.

We do, however, carve out one exception to the general rule, for protecting employees and coworkers from hazardous conditions or situations in the workplace. For example, an employer may have a valid reason to know whether an employee has a genetic susceptibility to a certain chemical that is a part of the work environment. So the exception allows a request for genetic information if it is a matter of immediate business necessity.

I would like to be very clear that this legislation does not make it illegal to collect, or store, or analyze, or even disclose, an individual's genetic information. It simply gives the individual control over this process through a rigorous procedure for written, informed consent. The only exceptions for individual control are questions of compulsory process, such as criminal investigations, or court-ordered analyses.

Specifically, the purposes of this legislation are:

First, to define the circumstances under which DNA samples and genetic information may be collected, stored, analyzed, and disclosed; second, to define the rights of individuals with respect to genetic information; third, to define the responsibilities of third parties with respect to genetic information; fourth, to protect individuals and families from genetic discrimination; and fifth, to establish uniform rules that protect individual genetic privacy.

The need for this legislation is clear and pressing. I look forward to working with my colleagues in the Senate and in the House to bring this issue to a satisfactory resolution for the American people. The Human Genome Project holds the greatest promise of benefits for mankind, but these benefits will elude us if people are afraid of the consequences of deciphering their own genetic formulas.

I forward a summary of this bill to the desk and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

By Mr. ROBB (for himself and Mr. WARNER):

S. 423. A bill to extend the legislative authority for the Board of Regents of Gunston Hall to establish a memorial to honor George Mason; to the Committee on Energy and Natural Resources.

THE GEORGE MASON MEMORIAL ESTABLISHMENT ACT OF 1997

● Mr. ROBB. Mr. President, I introduce a bill to extend the legislative authority for the Board of Regents of Gunston Hall to establish a memorial to honor a distinguished Virginian, George Mason.

In 1776, George Mason wrote the Virginia Declaration of Rights, the first document in America calling for freedom of the press, freedom of religion, proscription of unreasonable searches, and the right to a speedy trial. The Virginia Declaration of Rights not only served as a model for our national Bill of Rights; but historians believe that Mason's refusal to sign the Constitution for its failure, initially, to include a declaration of rights was a major impetus for eventual adoption of the first 10 amendments to the Constitution.

George Mason sacrificed friendships by insisting that a strong national government could not be purchased at the cost of individual rights, and Mason inevitably chose his family over politics. He retired from public office following the Constitutional Convention and died just a few years later in 1792. His contemporaries, Thomas Jefferson and James Madison, lived decades longer and were elected Presidents of the United States, and thus Mason's contributions were soon overshadowed.

Efforts were combined during the 101st Congress to at last honor America's ''Forgotten Founder.'' Legislation authorizing a private, nonprofit organization to establish a memorial to George Mason on Federal land in the District of Columbia passed and was signed by then-President George Bush. In the 102d Congress, a resolution concurred that George Mason was an individual ''of preeminent historical significance to the nation,'' and authorized the placement of the memorial within select area I lands, in sight of the memorials of two of Mason's closest friends: George Washington and Thomas Jefferson. The legislation was signed into law on April 28, 1992, and approved by the National Capital Memorial Committee in December 1993.

To pay homage to a man whose ideas played a prominent role in the founding of the American Republic, a fitting memorial has been designed for this supreme site, located between Ohio Drive and the 14th Street Bridge, overlooking the Tidal Basin. The memorial designs have been completed and submitted for review to all necessary advisory and review boards and by agreement, the United States Park Service is to maintain the memorial once completed. In accordance with the Commemorative Works Act of 1986, $1 million must be raised in non-Federal funds to construct this gift to Washington and all Americans and ground-breaking is ordered to occur no later than August 1997. The Board of Regents of Gunston Hall Plantation, a historical organization that oversees Mason's family home in Fairfax County, is dedicated to raising the necessary funds for the monument and seeing this important project through to its completion, however, the August 1997 deadline is rapidly approaching. At this time, it seems that the fundraising effort will not be completed and that's why today I introduce the necessary legislation granting an extension until August 2000.

The Commemorative Works Act, passed into law to prevent overcrowding on the Mall, requires two separate acts of Congress before a memorial may be placed in area I lands, and both of these hurdles have been cleared. The final battle is a fundraising one and the Board of Regents of Gunston Hall has a plan of attack. Last year, they launched Liberty 2000, a campaign to share George Mason's legacy of liberty. The Board of Regents hope to build an endowment fund to ensure a secure future for Gunston Hall and attain the necessary non-Federal funds to break ground and complete their efforts to bring George Mason's legacy to the Mall. I ask that you join me in swiftly supporting this 3-year extension so we may properly commemorate this great statesman and Virginian, George Mason.●

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 424. A bill to adjust the Federal medical assistance percentage determined for Alaska under the Medicaid Program to reflect Alaska's cost of living; to the Committee on Finance.

THE ALASKA MEDICAID EQUITY ACT OF 1997

● Mr. MURKOWSKI. Mr. President, I, along with my distinguished colleague, Senator STEVENS, introduce legislation that will more accurately reflect the appropriate Federal/State funding formula for Alaska's Medicaid Program.

One-sixth of Alaska's population is eligible to receive Medicaid, and the population is growing. These Medicaid recipients are the needy children, pregnant women, disabled, and elderly poor of Alaska.

Ever since the Medicaid Program was established in 1965, the Federal/State funding formula has failed to recognize the extraordinarily high cost of living that all Alaskans face. Under current law, the funding formula that is used to determine the Federal matching payment is based on a comparison between average per capita income in the United States and each individual State's per capita income.

Under the current formula, the minimum Federal Medicaid match is 50 percent. The highest Federal match is 77.2

percent and is provided to the State with the lowest per capita income—Mississippi. By contrast, Alaska has a 50/50 Federal/State match based on the fact that it has the seventh highest per capita income in the United States, $17,961 based on 1993 data.

However, many Federal programs recognize that per capita income, by itself, is not a fair measure of wealth. For example, a special Federal Government cost-of-living adjustment is provided to Federal employees in Alaska to reflect our cost differential. Other Federal formulas, such as the formula for the Federal School Lunch Program, Food Stamp Program, and certain housing programs each recognize and take into consideration Alaska's high cost of living.

Mr. President, I recognize that Alaska's $17,961 per capita income suggests it is one of the wealthier States. However, when the 25 percent higher cost of living is factored in, the State looks far less wealthy. In fact, when Alaska's high cost of living is factored into the equation, it would appear that an Alaskan with an income of $17,961 lives at the same economic level as a person in Iowa with a per capita income of $14,399. Yet Iowa enjoys a 62/38 Federal/State Medicaid match.

Why is Alaska's cost of living higher than the lower 48 States? The answer is primarily because of the high cost of shipping goods to Alaska. Almost everything of substantial size or volume comes to Alaska by water, and despite healthy competition among carriers, prices remain high due to the distance traveled and the fact that Alaska remains an importer of goods, not an exporter. That means most vessels are unable to carry a backhaul cargo that would lower the overall cost of the round trip. Moreover, because of an undeveloped road structure, most food transported to remote villages in Alaska rely exclusively on air freight.

What this high shipping cost means is that it costs a family of four in Bethel, Alaska's largest rural community, nearly $30 more each week to feed their family, compared to the average family in the United States. And, it is these rural Alaska areas that have the highest number of Medicaid recipients.

The present Medicaid formula is fundamentally unfair because it doesn't reflect these facts. What it means is that more people in Alaska are eligible for Medicaid, but the Federal match isn't adjusted accordingly. Basically, the current Federal formula gives us more Medicaid users and provides less money to pay for their services. to exacerbate this inequity—health care costs in Alaska are estimated to be 71 percent higher than the national average.

The legislation we are introducing today, The Alaska Medicaid Equity Act, finally resolves this inequity. It adjusts the Medicaid formula for Alaska to factor in the State's high cost of living. Passage of this legislation would result in an estimated savings of $40 to $50 million for the State of Alaska Legislature.

This adjustment was included in legislation that was reported from the Senate Finance Committee as part of the reconciliation bill that was adopted in 1995. However, that omnibus bill was ultimately vetoed for unrelated reasons.

Mr. President, we in Alaska have endured this historic inequity for nearly a third of a century. I hope my colleagues will agree, the time to right this wrong is this year.●

By Mr. ROTH (for himself and Mr. MOYNIHAN):

S. 425. A bill to provide for an accurate determination of the cost of living; to the Committee on Finance.

COST-OF-LIVING BOARD ACT OF 1997

Mr. ROTH. Mr. President, today my good friend, Senator MOYNIHAN, and I are introducing a landmark piece of legislation to create a cost-of-living board that will improve our Government's ability to index Federal programs with a more accurate measurement of inflation. Clearly, there are a number of ways to address the accurate measure of inflation with regard to our indexed Federal tax and benefit programs. In my view, this bill represents one possible way to achieve greater accuracy. It is not the only way, but I believe it is our best effort to create a mechanism to fairly compensate taxpayers and benefit recipients alike.

One of the most significant issues that faces Congress this year is the accuracy of the Consumer Price Index, and I believe that Congress and the President need to seriously address the economic ramifications of an inaccurate measure of the cost of living. The five-member board created in our bill will meet throughout the year to, first, review the statistical evidence about inflation produced by the Bureau of Labor Statistics and others, and after careful review of all the evidence regarding inflation, the board will then produce a cost-of-living adjustment by a majority vote of the members of the commission not later than November 1 of each year.

This inflation adjustment number will serve as a number for which all Federal benefit programs and tax items will be indexed for the coming year without further action by the Congress or the President. If, however, the cost-of-living board fails by a majority vote to produce a cost-of-living adjustment, then current law applies. That is to say, that the BLS-produced CPI will be used to index tax and benefit programs.

Let me be clear. This cost-of-living board will not—and I emphasize not—study the accuracy of the Consumer Price Index. We have already had the Boskin commission which did just that. The report was widely praised within the Economic Community, including many highly respected economists, such as Dr. Alan Greenspan and Dr. Martin Feldstein.

One of the roles in Government is to protect American families from inflation. In doing so, it is important that we are able to measure inflation as precisely as possible, and I view this board as our best hope of accurately measuring inflation.

I cannot emphasize too greatly the importance of an accurate measurement of inflation. If the index is too high, it overcompensates retirees and others and undertaxes many taxpayers. If it is too low, it undercompensates retirees and overtaxes the taxpayer. What we want is fairness to all with as accurate an index as possible.

I want to stress that any action we take on this issue must be broadly and deeply bipartisan. We must have the full cooperation and leadership by President Clinton. I hope the President will not miss an opportunity to consider this board as one possible option that will ''take the politics out of it'' and fulfill his goals set out in his State of the Union Address to ''do the right thing for the country.'' Clearly, this reform will not be successful without the President's leadership.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Cost-of-Living Board Act of 1997''.

SEC. 2. COST-OF-LIVING ADJUSTMENTS.

Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

''PART D—COST-OF-LIVING ADJUSTMENTS

''DETERMINATION OF INFLATION ADJUSTMENT

''SEC. 1180. (a) IN GENERAL.—The Cost-of-Living Board established under section 1181 shall each calendar year after 1996 attempt to determine a single percentage increase or decrease in the cost-of-living which shall apply to any cost-of-living adjustment taking effect during the next calendar year.

''(b) ADOPTION OR REJECTION OF PERCENTAGE.—

''(1) ADOPTION.—

''(A) IN GENERAL.—If the Cost-of-Living Board adopts by majority vote a single percentage increase or decrease under subsection (a), then, notwithstanding any other provision of law, any cost-of-living adjustment to take effect during the following calendar year shall be made by using such percentage and not by using the change in the Consumer Price Index (or any component thereof).

''(B) APPROPRIATE MODIFICATIONS.—The Cost-of-Living Board shall make appropriate modifications to the single percentage applied to any cost-of-living adjustment if—

''(i) the period during which the change in the cost-of-living is measured for such adjustment is different than the period used by the Cost-of-Living Board; or

''(ii) the adjustment is based on a component of an index rather than the entire index.

''(2) REJECTION.—If the Cost-of-Living Board fails by majority vote to adopt a single percentage increase or decrease under subsection (a) for any calendar year, then any cost-of-living adjustment to take effect

during the following calendar year shall be determined without regard to this part.

''(c) REPORT.—Not later than November 1 of each year, the Cost-of-Living Board shall submit a report to the President and Congress containing a detailed statement with respect to—

''(1) the percentage (if any) agreed to by the Board under subsection (a); and

''(2) the decision of the Board on whether or not to adopt such a percentage.

''(d) JUDICIAL REVIEW.—Any determination by the Cost-of Living Board under subsection (a) or (b)(1)(B) shall not be subject to judicial review.

''(e) DEFINITION OF COST-OF-LIVING ADJUSTMENT.—In this part, the term 'cost-of-living adjustment' means any adjustment under any of the following which is determined by reference to any Consumer Price Index (or any component thereof):

''(1) The Internal Revenue Code of 1986.

''(2) Titles II, XVI, XVIII, and XIX of this Act.

''(3) Any other Federal program.

''COST-OF-LIVING BOARD

''SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

''(1) ESTABLISHMENT.—There is established a board to be known as the Cost-of-Living Board (in this section referred to as the 'Board').

''(2) MEMBERSHIP.—

''(A) COMPOSITION.—The Board shall be composed of 5 members of whom—

''(i) 1 shall be the Chairman of the Board of Governors of the Federal Reserve System;

''(ii) 1 shall be the Chairman of the President's Council of Economic Advisers; and

''(iii) 3 shall be appointed by the President, by and with the advice and consent of the Senate.

The President shall consult with the leadership of the House of Representatives and the Senate in the appointment of the Board members under clause (iii).

''(B) EXPERTISE.—The members of the Board appointed under subparagraph (A)(iii) shall be experts in the field of economics and should be familiar with the issues related to the calculation of changes in the cost of living. In appointing members under subparagraph (A)(iii), the President shall consider appointing—

''(i) former members of the President's Council of Economic Advisers;

''(ii) former Treasury department officials;

''(iii) former members of the Board of Governors of the Federal Reserve System;

''(iv) other individuals with relevant prior government experience in positions requiring appointment by the President and Senate confirmation; and

''(v) academic experts in the field of price statistics.

''(C) DATE.—

''(i) NOMINATIONS.—Not later than 30 days after the date of enactment of the Cost of Living Board Act of 1997, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

''(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

''(3) TERMS AND VACANCIES.—

''(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

''(i) 1 member shall be appointed for a term of 1 year;

''(ii) 1 member shall be appointed for a term of 3 years; and

''(iii) 1 member shall be appointed for a term of 5 years.

''(B) VACANCIES.—

''(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(ii) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(C) EXPIRATION OF TERMS.—The term of any member appointed under paragraph (2)(A)(iii) shall not expire before the date on which the member's successor takes office.

''(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold its first meeting. Subsequent meetings shall be determined by the Board by majority vote.

''(5) OPEN MEETINGS.—Notwithstanding section 552b of title 5, United States Code, or section 10 of the Federal Advisory Committee Act (5 U.S.C. App.), the Board may, by majority vote, close any meeting of the Board to the public otherwise required to be open under that section. The Board shall make the records of any such closed meeting available to the public not later than 30 days of that meeting.

''(6) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

''(7) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall select a Chairperson and Vice Chairperson from among the members appointed under paragraph (2)(A)(iii).

''(b) POWERS OF THE BOARD.—

''(1) HEARINGS.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this part.

''(2) INFORMATION FROM FEDERAL AGENCIES.—The Board may secure directly from any Federal department or agency such information as the Board considers necessary to carry out the provisions of this part, including the published and unpublished data and analytical products of the Bureau of Labor Statistics. Upon request of the Chairperson of the Board, the head of such department or agency shall furnish such information to the Board.

''(3) POSTAL SERVICES.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(4) GIFTS.—The Board may accept, use, and dispose of gifts or donations of services or property.

''(c) BOARD PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—Each member of the Board who is not otherwise an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who otherwise are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(2) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

''(3) STAFF.—

''(A) IN GENERAL.—The Chairperson of the Board may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Board to perform its duties. The employment of an executive director shall be subject to confirmation by the Board.

''(B) COMPENSATION.—The Chairperson of the Board may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level IV of the Executive Schedule under section 5316 of such title.

''(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without additional reimbursement (other than the employee's regular compensation), and such detail shall be without interruption or loss of civil service status or privilege.

''(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

''(d) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as are necessary to carry out the purposes of this part.''.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am honored to be a cosponsor of this measure which our revered chairman has brought to the floor. I would like to endorse each and every thing he has said.

This legislation would create an independent Cost of Living Board to determine annually what cost of living adjustments should be made for the following calendar year. In the event a majority of the Board cannot agree on a decision, then by default the automatic adjustments would be based on the change in the Consumer Price Index as calculated by the Bureau of Labor Statistics.

The Board would have five members and would be comprised as follows: the Chairman of the Board of Governors of the Federal Reserve System; the Chairman of the President's Council of Economic Advisers; and three others appointed by the President with the advice and consent of the Senate. The bill specifies that members of the board shall be professional economists familiar with issues related to the calculation of changes in the cost of living, such as index number theory.

There is a growing consensus that the CPI overstates the cost of living. In December 1996, the Advisory Commission to Study the Consumer Price Index appointed by the Finance Committee—the Boskin Commission—concluded that the Consumer Price Index

overstates the inflation by 1.1 percentage points. The distinguished Chairman of the Board of Governors of the Federal Reserve, Alan Greenspan, agrees. And in testimony before the Finance Committee, Chairman Greenspan provided the definitive response to those who have argued that this issue should not be ''politicized.'' He said:

There has been considerable objection that such a . . . procedure would be a political fix. To the contrary assuming zero for the . . . bias is the political fix. On this issue, we should let evidence, not politics, drive policy.

I referred earlier to index number theory. I might add that in the last decade or two, there has been very considerable advancement in the subfield of index number theory—the point where mathematics meets economics. We know a lot more than we did. We can do it better than we do. There are persons who have specialized in this.

The first particular study goes back to 1961, when the National Bureau of Economic Research, at the request of the then Bureau of the Budget, gave us a report by a committee chaired by George J. Stigler, soon to be a Nobel laureate, on the price indexes of the Federal Government. It concluded the indexes overstated changes in the cost of living.

They did not have any estimates of the bias at the time, but they knew there was a bias. And in the manner of academic work, people addressed it. For what it is worth, perhaps one of the most distinguished practitioners now teaches at the University of British Columbia. In any event, we are able to do so much more than we have done, and the need to get it right is paramount, it is our obligation, as persons responsible for the public fisc.

This bill represents the next step in a logical progression. We are beyond a fact-finding commission. The overwhelming evidence is that the CPI overstates the change in the cost of living by between 0.5 and 1.5 percentage points.

It is now time to consider how to go about getting the number right—and getting it right every year henceforth. As the chairman indicated, it is our intention in introducing this bill to suggest one possible mechanism. Certainly there are other options, and I would not rule out any alternative at this point. Our purpose today is to keep attention focused and keep the dialogue moving on this issue, for delay is costly. If we get our numbers right—and that is all we propose to do—then we save $1 trillion over 12 years. If we delay for 2 years, then the savings are reduced to $750 billion.

I believe this Board, with the Chairman of the Federal Reserve Board, the Chairman of the Council of Economic Advisers, and the three economists nominated by the President and confirmed by the Senate, is a superb approach. We hope it will be given the attention it deserves now that it has been made clear by the White House that they see the necessity for doing this.

Our distinguished majority leader, over there in the corner even as I speak, has spoken to this matter. And now we have a proposal for legislative action. With great and renewed thanks for our chairman, I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Let me start out by thanking the distinguished Senator from New York for his leadership in this critically important matter. I can say, fairly, that nothing would have happened if it had not been for his willingness to step out early on and take measures that I think are in the best interests of this Nation and the people of this great country.

ADDITIONAL COSPONSORS

S. 66

At the request of Mr. HATCH, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Wyoming [Mr. ENZI] were added as cosponsors of S. 66, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 293

At the request of Mr. HATCH, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 293, a bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions.

S. 347

At the request of Mr. CLELAND, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 347, a bill to designate the Federal building located at 100 Alabama Street NW, in Atlanta, GA, as the ''Sam Nunn Federal Center''.

S. 359

At the request of Mr. THOMAS, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 359, a bill to amend title XVIII of the Social Security Act to change the payment system for health maintenance organizations and competitive medical plans.

S. 405

At the request of Mr. HATCH, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 405, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to allow greater opportunity to elect the alternative incremental credit.

S. 406

At the request of Mr. HATCH, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 406, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

S. 418

At the request of Mr. WARNER, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 418, a bill to close the Lorton Correctional Complex, to prohibit the incarceration of individuals convicted of felonies under the laws of the District of Columbia in facilities of the District of Columbia Department of Corrections, and for other purposes.

SENATE RESOLUTION 50

At the request of Mr. ROTH, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Utah [Mr. HATCH], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Nebraska [Mr. HAGEL], the Senator from Colorado [Mr. ALLARD], the Senator from Wyoming [Mr. ENZI], the Senator from Virginia [Mr. ROBB], the Senator from Nevada [Mr. BRYAN], the Senator from Wisconsin [Mr. KOHL], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Resolution 50, a resolution to express the sense of the Senate regarding the correction of cost-of-living adjustments.

AMENDMENTS SUBMITTED

COMMITTEE ON GOVERNMENTAL AFFAIRS EXPENDITURES AUTHORIZATION RESOLUTION

LOTT (AND WARNER) AMENDMENT NO. 22

Mr. LOTT (for himself and Mr. WARNER) proposed an amendment to amendment No. 21 proposed by Mr. GLENN to the resolution (S. Res. 39) authorizing expenditures by the Committee on Government Affairs; as follows:

In the pending amendment, strike all after ''(b)'' and insert the following:

''(b) PURPOSE OF ADDITIONAL FUNDS.—The additional funds authorized by this section are for the sole purpose of conducting an investigation of illegal activities in connection with 1996 Federal election campaigns.

''(c) REFERRAL TO COMMITTEE ON RULES AND ADMINISTRATION.—Because the Committee on Rules and Administration, not the Committee on Governmental Affairs, has jurisdiction (rule 25) over all proposed legislation and other matters relating to—

''(1) federal elections generally, including the election of the President, the Vice President, and Members of the Congress, and

''(2) corrupt practices,

the Committee on Governmental Affairs shall refer to the Committee on Rules and Administration any evidence of activities in connection with 1996 federal election campaigns which activities are not illegal but which may require investigation by a Committee of the Senate revealed pursuant to the investigation authorized by subsection (b).''

LOTT (AND OTHERS) AMENDMENT NO. 23

Mr. LOTT (for himself, Mr. THOMPSON, and Mr. WARNER) proposed an