

In addition, this bill requires that the Secretary contract with states during that four year period to provide local monitoring of ongoing PSO performance, as well as beneficiary access to services. At the end of the four year period, State licensure would be required as long as State standards are sufficiently similar to the Federal standards, and the solvency standards are identical.

This approach over these initial four years, marries the benefits of national standards for a national program with the benefits of close monitoring at the State level by State agencies, an approach currently used by Medicare in certifying a variety of health care providers.

The issue of solvency. Last year's Balanced Budget Act mandated that the Secretary develop new solvency standards that are more appropriate to this PSO, provider-sponsored, environment.

Similarly, S. 146 recognizes that PSOs are different. They are not insurance companies, nor should they pretend to be insurance companies. PSOs are the caregivers themselves.

Thus, it is not necessary, because they are care-givers—physicians, nurses, and facilities—for them to go out and contract out or pay claims for health care services that they have to go out and essentially buy—as insurance companies have to do. Very different. This bill establishes these new solvency standards to protect Medicare beneficiaries against the risk of PSO insolvency.

The test of fiscal soundness is based on net worth and reserve requirements drawn from current Medicare law and the current National Association of Insurance Commissioners' (NAIC) "Model HMO Act." Adjustments are made to reflect the operational characteristics of PSOs. For example, in measuring net worth, it ensures that health delivery assets held by the PSOs, such as the hospital building, are recognized just as they are in NAIC's Model HMO Act. Thus, fiscal soundness is assured.

Another issue on which the Rockefeller/Frist bill differs from the 1995 Balanced Budget Act is that it gives the Secretary authority to enter partial risk contracts, either with PSO's or HMO's.

The Balanced Budget Act required that PSO's take full risk with respect to Medicare benefits. While both bills would require that PSO's provide the full Medicare-defined benefit package, S. 146 adds a partial risk payment method, that is, payment for all services based on a mix of capitation and cost. This is actually very important if we want to have coordinated care go to our rural communities.

Now, why is PSO legislation necessary? First, current Medicare statute does not allow managed care plans to serve only Medicare patients. Instead, currently it requires these types of plans to participate also in the commercial market.

The Balanced Budget Act established the premise, that PSO's should be allowed to offer Medicare-only plans. Therefore, the rule that I mentioned earlier, the so-called 50-50 rule, is inappropriate under our bill for Medicare-only type plans.

Second, plans today are required to go through the State licensure process. Yet, the overwhelming majority of State licensure processes do not recognize the fact that PSO's differ from most insurers. Rather, States today expect them to look and act like insurers. But they are not, they are caregivers.

Senator ROCKEFELLER and I, in closing, did not introduce this legislation to eclipse the current Medicare risk contractors. Rather, the Provider Sponsored Organization Act complements existing HMO options in the Medicare program and expands the choices available to seniors and individuals with disabilities.

This bill is narrow. It is focused. It really does not take on the broader issues of structural reform that must be addressed in Medicare. I would like to see much more choice than this bill, but this is the place to start.

Mr. President, Qualified Provider-Sponsored Organizations will challenge all health care organizations participating in Medicare to meet the goal of an integrated, coordinated health care system where quality, and not just cost, is put forward, where relationships of care-givers and their patients is preserved, and where physicians, nurses and hospitals come to the table. PSO's will challenge the entire system and the result will be higher quality.●

#### SENATOR SAM NUNN SUPPORTS THE B-2

● Mr. INOUE. Mr. President, there have been many supportive comments on the remarks I presented last week on the need to acquire nine additional B-2 global precision strike aircraft. There is one response, in particular, which I wish to share with my colleagues.

Former Senator Sam Nunn of Georgia served the Senate for many years. Through dedicated work and thoughtful analysis, Senator Nunn came to be regarded as a national authority on defense issues. I now ask that a letter in support of additional B-2 procurement, which Senator Nunn sent to Congressman DUNCAN HUNTER, chairman of the House Committee on National Security, Subcommittee on Military Procurement, be printed in today's RECORD. I believe that all Senators will benefit from a close and thoughtful reading of former Senator Nunn's letter.

The letter follows:

KING & SPALDING

Washington, DC, March 10, 1997.

Hon. DUNCAN HUNTER,  
Chairman, Subcommittee on Military Procurement,  
Committee on National Security,  
U.S. House of Representatives, Washington, DC

DEAR MR. CHAIRMAN: Thank you for asking me to provide testimony for your March 12, 1997, hearing on bomber force structure. As you know, I have been a strong supporter of the B-2 bomber program since its inception as the Advanced Technology Bomber in the early 1980's. I continue to believe that 21 B-2 bombers will not constitute an adequate force level to deal with many likely future contingencies and crises, and that no other military systems in existence or on the drawing boards can adequately substitute for the capabilities the B-2 offers. Therefore, I strongly endorse the Subcommittee's reconsideration of the future bomber force structure to include the issue of resuming production of the B-2 bomber. I believe the Subcommittee needs to carefully consider the following points in its deliberations.

\*For the foreseeable future, two major hot spots will remain in the Middle East and on the Korean peninsula. Yet these set-piece scenarios should not be the only scenarios against which the adequacy of our forces (and our military strategy) are tested.

\*Potential enemies have learned several valuable lessons from Iraq's experience during Operation Desert Storm don't give the U.S. time to deploy forces and their support to the theater, do focus on disrupting U.S. air operations, do target strategic objectives that allies will be reluctant to counterattack (Seoul, Saudi oil field, etc.) and plan to seize them rapidly, before U.S. power can be brought to bear.

\*Future conflicts are likely to confront the U.S. with a race against time and the advance of enemy forces toward important strategic objectives (think how different it might have been if Saddam's troops had not stopped after taking Kuwait.)

\*U.S. contingency planning, including the BUR analyses and the JCS "Nimble Dancer" wargames (and the widely criticized 1995 DOD Heavy Bomber Study), assumes the U.S. will enjoy two weeks of actionable warning prior to an enemy attack—valuable time during which our military plans to deploy forces from CONUS and Europe, and more important, to start the sealift bridge from CONUS to the theater.

\*This sealift link is crucial to U.S. performance in 1990, the U.S. needed six months in which to build up forces levels and to establish the sealift pipeline to support those forces during high-intensity conflict. Yet, the adequacy of logistics support has never been adequately modeled in JCS wargames.

\*In 1994, Iraq suddenly mobilized troops and sent them to the border with Kuwait. The U.S. response capability raises serious questions. U.S. planning assumes two carriers in the Persian Gulf, yet there were none, U.S. planning assumes deployment of many hundreds of tactical aircraft to the theater in the first week, yet only about one hundred arrived, U.S. planning assumes prepositioned equipment aboard ships berthed at Diego Garcia in the Indian Ocean are important assets, yet these ships did not arrive until after the crisis was ended, U.S. planning assumes many precision munitions, yet supplies in the theater were low.

\*If an important class of future contingencies will be those in which U.S. forces are trying to prevent an enemy surprise attack from seizing high-value targets, then U.S. forces will have to place a premium either on combat-ready forces stationed within the theater or on forces that can reach the theater and conduct effective operations in a timely fashion.

\*We cannot count on having stationed forces in the right place at the right time, all the time. This suggests the importance of long-range assets, to provide the flexibility to respond rapidly from CONUS to trouble spots around the globe. The B-2 can reach any point on the globe from just three bases—Guam, Diego Garcia, and the U.S.

\*Once in the theater, U.S. assets must be both survivable and highly effective against an invading enemy force. The B-2 bomber has a combination of range, payload, and stealth that is unmatched by any other system. And, precision munitions are continuing to enhance the value of all tactical aircraft, including the B-2 bomber.

\*The value of stealth for conducting operations in a high-threat environment has been clear ever since the air operations against Iraq began in early 1991. The F-117A Stealth Fighter conducted countless missions over Baghdad without any losses and are widely cited for the success of the air war. Yet the F-117A has many operational limitations—it is a medium altitude attack platform capable of effective operations only at night in clear weather.

\*The B-2 is an all-altitude, all-weather platform that is more stealthy than the F-117A and that carries many more individually-targetable weapons. The B-2's advanced capabilities go well beyond those of the F-117A or any other non-stealthy bomber.

\*A number of recent analytic studies have shown that against many plausible invading forces, 20 or 21 B-2 bombers are simply not enough force to stop enemy invaders short of their important strategic objectives.

\*The cost of additional B-2's is high relative to non-stealthy, short-range tactical aircraft. But so is the cost of failing to stop a determined enemy short of his strategic objectives. The inherent flexibility and capability of the B-2 bomber will be most important in those cases where we are surprised, where an enemy doesn't do what we had expected, and/or where we did not plan to have to fight.

I commend these points to the attention of your Subcommittee, and would urge you to undertake a searching review of the assumptions and assertions that underlie present U.S. military contingency plans. I thank you for inviting me to submit these thoughts for the Subcommittee's consideration and for your Subcommittee's careful attention to these important questions for national security.

Sincerely,

SAM NUNN.●

#### REMEMBERING TURKEY'S GENOCIDE OF THE ARMENIANS

● Mr. D'AMATO. Mr. President, America has always been a haven for victims of oppression and it is fitting that Members of this body rise every year to mark April 24—the day that commemorates Turkey's genocide of the Armenians. In the first instance in the 20th century when a state declared war on a minority group, an estimated 1.5 million people were killed. We rise today to show our solidarity with the victims and our condemnation of the slaughterers.

Many Armenian survivors came to the United States, where they found sanctuary. They have prospered and their vibrant community as a whole has become an integral part of American life and the democratic process. But while realizing and contributing to

the American dream, they always remembered their Armenian origins, and never forgot their national sorrow. As Nobel Peace Prize winner Elie Wiesel has written, the Armenian people are rooted firmly "in their collective and immutable memory where death itself is vanquished, because the memory of death is received as a symbol, an instant of eternity."

Their sharing of the Armenian historical experience with non-Armenians has served as a stark reminder for us all of the universality of human evil and the strength of the human spirit, even at the darkest moments. The resilience of the survivors and Armenians the world over have inspired in other peoples feelings of shared sorrow and admiration. We mourn with them, and simultaneously take pride in their ability to overcome a great historical injustice, the consciousness of which never disappears.

Unhappily for them, Armenians have been called upon to be our teachers. From their terrible suffering we have learned that states may not make war upon minority groups, and the international community will neither tolerate nor forget such transgressions. From their ability to transcend the saddest moments of their history, we take heart and recommit ourselves to remembrance, celebration, and vigilance.●

#### TRIBUTE TO JOE STERNE OF THE BALTIMORE SUN

● Ms. MIKULSKI. Mr. President, this month, Joseph R.L. Sterne will be retiring as editorial page editor of the Baltimore Sun—a job he has held for more than 44 years.

I have known Joe for more than 20 of those years. As editor, he has been one of the best. I cannot remember a time when his name was not at the top of the paper's masthead. I read his editorials and he has read my press releases. I think I liked his better. His editorials were him—they were fair, professional, insightful, instructive, tough and thorough.

I've learned a lot from them. So did Baltimore and so did Maryland—whether it was an observation or suggestion regarding foreign policy or firm recommendation on how to improve Baltimore's housing policy or Federal tax issues.

Joe started his career in 1953 covering the police beat. But he didn't stay there long. He quickly moved on to report on some of the most important moments in American history—from the civil rights movement to the Vietnam war to working in Africa and Germany covering international affairs. That was his true love. But he never forgot that a great hometown paper begins with a great hometown.

His kudos and criticisms spurred all of us to do our best. But then, he asked no less of us than he asked of himself. He is one of the best. I will miss Joe Sterne. Baltimore will miss Joe Sterne. I wish him our best.●

#### "PEACE! WHERE ART THOU?"

● Mr. INOUE. Mr. President, I request that the statement entitled "Peace! Where Art Thou?" written by my constituent, Ruben Ortiz-Paez, be printed in the CONGRESSIONAL RECORD. I encourage my colleagues to read this thoughtful essay.

The statement follows:

"PEACE! WHERE ART THOU?"

(By Ruben Ortiz Paez)

At a meeting to discuss World Peace, its Chairman closed the meeting with the following remarks: "After considerable effort, we are still groping like the Blind to come up with a significant dialogue which would contribute to the cause of Peace." After slight applause, he offered to field questions.

A blind man raised his hand and he was recognized. He stood up and this is what he had to say: "Mr. Chairman and Members: I really don't have a question, but if you will bear with me, I do have a few words to say. "The Chairman approved and he continued: "I don't think that it is fair to suggest that we haven't come up with solutions; the best minds in the world are devoted to finding Peace, and so far, they have come up with Zilch!

"Peace has always been desired, but there are leaders among nations who seem to derive Satanic pleasure in obstructing or derailing Peace initiatives! How then in Heaven's name, could Peace be expected to flourish? Here's a splendid suggestion: A sure way, is for us to embrace and spread The charity of Love! For Peace is Love's God-child, and it will flourish wherever Love and compassion dwell in the Hearts of Men!

"I know that it's difficult to understand; and some would dare to say that it's just a pipe-dream! But not so, if my logic is considered with an open mind; reinforced with the Undeniable Truth, that Love is more contagious than all of the deadly viruses, so far identified by medical science and research!

"Here then, Mr. Chairman, I humbly offer the following, which I hope you may be able to consider as an acceptable contribution to the cause of Peace. It will probably be dismissed as an illusion by the skeptics, due to its spiritual connotation, but I ask you sir, what other choice do we have?

"It takes just one person who's a 'carrier' to start an epidemic! So what are we waiting for? Let's be the 'carriers' to start an epidemic of Love! It isn't all that difficult, all that it takes is for us to shed our shyness; our fear that our affection could be misunderstood! It will be well worth it, and surely the Prince of Peace, will bless us for it, since his exhortation 'Love your neighbor as yourself' means not only the one next door, but all with whom we share the Earth!

"Dear Members: If I can visualize all these things despite my blindness, just try to imagine, the great and wonderful things that you will be able to accomplish with God's gift of sight and optimism, in a world firmly determined to live in Peace, in the fast-approaching New Millennium!

"Thank you for allowing me to express my pent-up emotions and my layman's assessment of such a pressing and complex subject. May God bless you!"

The blind man received a standing ovation and the applause was deafening!●

#### THE SMALL BUSINESS ADMINISTRATION

● Mr. BUMPERS. Mr. President, On February 3, of this year, Carolyn