Agreements associated with the ABM Treaty, I have, without prejudice to the legal principles involved, certified, consistent with Condition (9), that I will submit any agreement concluded on ABM Treaty succession to the Senate for advice and consent.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 14, 1997.*

REPORT ON THE NATIONAL SECURITY STRATEGY OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 37

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services.

To the Congress of the United States:

As required by section 603 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986, I am transmitting a report on the National Security Strategy of the United States.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 15, 1997.*

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2. An act to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2. An Act to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1871. A communication from the Secretary of the Senate, transmitting, pursuant to law, a statement of receipts and expenditures of the Senate, showing in detail the expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from October 1, 1996 through March 31, 1997; which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 430. A bill to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds (Rept. No. 105–18).

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. BUMPERS (for himself, Ms. LANDRIEU, Mr. CLELAND, Mr. KERRY, and Mr. DASCHLE):

S. 745. A bill to amend the Internal Revenue Code of 1986 to modify the partial exclusion from gross income of gain on certain small business stock, to provide a rollover of capital gains on certain small business investments, and for other purposes; to the Committee on Finance.

By Mr. LEVIN:

S. 746. A bill to reaffirm and clarify the Federal relationship of the Burt Lake Band as a distinct federally recognized Indian tribe, and for other purposes; to the Committee on Indian Affairs.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. GRAHAM, Mr. HATCH, Ms. MOSELEY-BRAUN, Mr. GRASSLEY, Mr. BAUCUS, Mr. GRAMM, Mr. CONRAD, Mr. NICKLES, Mr. BREAUX, Mr. JEFFORDS, Mr. BRYAN, Mr. ROCKEFELLER, Mr. KERREY, Mr. MURKOWSKI, Mr. D'AMATO, and Mr. LOTT):

S. 747. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mrs. HUTCHISON, Ms. MIKULSKI, Mr. BUMPERS, Ms. COLLINS, and Mr. ROBB):

S. 748. A bill to provide for college affordability and high standards; to the Committee on Labor and Human Resources.

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

S. 749. A bill to provide for more effective management of the National Grasslands, and for other purposes; to the Committee on Energy and Natural Resources.

S. 750. A bill to consolidate certain mineral interests in the National Grasslands in Billings County, North Dakota, through the exchange of Federal and private mineral interests to enhance land management capabilities and environmental and wildlife protection, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SHELBY (for himself, Mr. MURKOWSKI, Mr. CRAIG, and Mr. BURNS):

S. 751. A bill to protect and enhance sportsmen's opportunities and conservation of wildlife, and for other purposes; to the Committee on Environment and Public Works.

By Mr. THURMOND (for himself, Mr. COATS, Mr. HOLLINGS, Mr. HELMS, Mr. FAIRCLOTH, and Mr. HUTCHINSON):

S. 752. A bill to amend title 23, United States Code, to modify the minimum allocation formula under the Federal-aid highway program, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MACK (for himself, Mr. LIEBERMAN, and Mr. BROWNBACK):

S. 753. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

By Mr. CAMPBELL (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 754. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide for direct assistance to Indian tribes for juvenile justice and delinqency prevention programs, and for other purposes; to the Committee on Indian Affairs.

By Mr. CAMPBELL (for himself and Mr. FORD):

S. 755. A bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons) as in effect before the amendments made by the National Defense Authorization Act for Fiscal Year 1997 and to make other improvements to that chapter; to the Committee on Armed Services.

By Mr. KERRY (for himself, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. KENNEDY, Mr. HOLLINGS, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, and Mr. HARKIN):

S. 756. A bill to provide for the health, education, and welfare of children 6 years of age; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

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

S. Res. 86. A resolution expressing the sense of the Senate with respect to telephone access charges for use of the Internet and the growth of advanced interactive communications networks like the Internet; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Ms. LANDRIEU, Mr. CLELAND, Mr. KERRY, and Mr. DASCHLE):

S. 745. A bill to amend the Internal Revenue Code of 1986 to modify the partial exclusion from gross income of gain on certain small business stock, to provide a rollover of capital gains on certain small business investments, and for other purposes; to the Committee on Finance.

THE SMALL BUSINESS CAPITAL GAINS ENHANCEMENT ACT OF 1997

Mr. BUMPERS. Mr. President, I rise today to introduce the Small Business Capital Gains Enhancement Act of 1997, which will make several important improvements to section 1202 of the Internal Revenue Code, a measure I authored in 1993 to provide an incentive for investment in entrepreneurial efforts. Section 1202 provides a 50 percent exclusion for capital gains from qualified small business stock held at least 5 years.

The purpose of section 1202 is clear. Because small businesses are inherently riskier than large businesses,

most investors are reluctant to invest in the smaller enterprises. This, obviously, tends to create a dearth of capital for entrepreneurs. But maintaining a healthy investment environment for small businesses is extremely important for the well-being of our economy. Most new jobs come from small businesses, not large ones. From 1991–95, businesses with fewer than 500 employees created 22 million new jobs, while businesses of greater than 500 employees cut 3 million jobs. And it was because of this dynamic small business impact on our economy that Congress passed section 1202 with great bipartisan support in both chambers: we wanted to create a capital formation incentive for small business.

Now, for two reasons, it has become crucial that we make certain improvements to section 1202. First, section 1202 is not adequate. The small business incentive I originally proposed in 1993 was considerably more extensive than section 1202. After years of discussions among entrepreneurs and tax experts regarding what would be helpful and workable, we had determined that the incentive should, for example, include companies of up to $100 million in assets, allow corporate investors, and not be subject to the alternative minimum tax. But because of budget concerns during the Omnibus Reconciliation Act of 1993, the proposal was scaled back to include only companies of $50 million or less, allow no corporate investors, and subject 50 percent of the benefit to the alternative minimum tax. The bill my cosponsors and I are introducing today will expand section 1202 to provide the kind of incentive originally envisioned and more.

The second reason that today's legislation is crucial is to preserve the incentive in the face of other impending capital gains cuts which would effectively nullify it. As we all know, it appears that we are headed toward an across-the-board capital gains cut following the recent budget agreement between the Clinton administration and Republican congressional leaders. Ironically, an across-the-board cut could obliterate the small business incentive if the latter is not adjusted accordingly.

Here is how that would happen. Under the GOP capital gains proposal in S. 2, the top regular capital gains rate will be 19.8 percent, while the top rate for small business capital gains will remain at 14 percent. In other words, an investor could buy stock in, say, Microsoft, hold that stock 1 year, sell the stock, and, if a gain were realized, pay a maximum tax of 19.8 percent. Alternatively, the investor could make that investment in, say, a new biotech firm, hold that stock 5 years, sell the stock, and, if a gain were realized, pay a maximum tax of 14 percent. The logical choice would be clear: the investor would choose the big business over the small business. After all, who would choose a risky 5-year small business investment over a 1-year Microsoft investment for a tax differential of only 5.8 percent? Clearly, a major across-the-board tax cut without a corresponding increase in the exclusion for small business investments will obliterate section 1202's effectiveness. Small business will be left without a viable capital gains incentive.

Not only would the situation described above nullify the small business incentive for the future, it would be unfair to those who have already made small business investments based on section 1202—those who accepted the risk of investing in a small business stock for the promise of preferential capital gains treatment. We would be saying, ''Thanks for taking a risk with your small business investment, but we've decided to change the rules. We're gonna give you about the same tax rate we give other people for their less-risky Fortune 500 investments.'' As a matter of fairness to those who have already invested in a small business based on section 1202, we must maintain a substantial difference between small business and big business capital gains taxes. This bill will make that adjustment by increasing the exclusion for small business capital gains from 50 percent to 75 percent.

Here is a list of all the improvements our legislation would make to section 1202. Increase the small business deduction from 50 percent to 75 percent; increase the asset limit for ''qualified small businesses'' from $50 to $100 million; make the incentive available to corporate investors; exempt the incentive from alternative minimum tax calculations; change the working capital spend-down period (intended to prevent abuse through inactivity) from 2 years to 5 years to allow companies to raise adequate capital before beginning to spend it; increase the per-taxpayer benefit limit to $20 million or 10 times investment. Presently, the limit is $10 million or 10 times investment; and allow the tax-deferred rollover of capital gains from one qualified small business to another.

Although we have not yet received a Joint Tax Committee revenue estimate on this measure, it would appear from previous estimates to cost under $500 million over 5 years and under $1 billion over 10 years. Compared to the cost of an across-the-board capital gains tax cut and other major tax cuts being considered by this Congress, this is a pittance.

Mr. President, section 1202 is the major, if not the only, capital formation incentive for small business in the entire Tax Code. It would be a tragedy and a slap in the face of America's entrepreneurs if we fail to maintain this measure in viable form. The bill we are introducing today will do that, and I urge my colleagues to support it.

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

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

S. 745

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 ''Small Business Capital Gains Enhancement Act of 1997''.

SEC. 2. MODIFICATIONS TO EXCLUSION OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) INCREASED EXCLUSION.—

(1) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986 (relating to 50-percent exclusion for gain from certain small business stock) is amended—

(A) by striking ''50 percent'' and inserting ''75 percent'', and

(B) by striking ''**50-percent**'' in the heading and inserting ''**75-percent**''.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 1202 of such Code is amended by striking ''50-percent'' and inserting ''75-percent''.

(B) The table of sections for part I of subchapter P of chapter 1 of such Code is amended by striking ''50-percent'' in the item relating to section 1202 and inserting ''75-percent''.

(b) EXCLUSION AVAILABLE TO CORPORATIONS.—

(1) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by striking ''other than a corporation''.

(2) TECHNICAL AMENDMENT.—Subsection (c) of section 1202 of such Code is amended by adding at the end the following new paragraph:

''(4) STOCK HELD AMONG MEMBERS OF CONTROLLED GROUP NOT ELIGIBLE.—Stock shall not be treated as qualified small business stock if such stock was at any time held by any member of the parent-subsidiary controlled group (as defined in subsection (d)(3)) which includes the qualified small business.''

(c) REPEAL OF MINIMUM TAX PREFERENCE.—

(1) IN GENERAL.—Section 57(a) of the Internal Revenue Code of 1986 (relating to items of tax preference) is amended by striking paragraph (7).

(2) TECHNICAL AMENDMENT.—Section 53(d)(1)(B)(ii)(II) of such Code is amended by striking '', (5), and (7)'' and inserting ''and (5)''.

(d) STOCK OF LARGER BUSINESSES ELIGIBLE FOR EXCLUSION.—

(1) Section 1202(d)(1) of the Internal Revenue Code of 1986 (relating to qualified small business) is amended by striking ''$50,000,000'' each place it appears and inserting ''$100,000,000''.

(2) Section 1202(d) of such Code is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT OF ASSET LIMITATION.—In the case of stock issued in any calendar year after 1997, the $100,000,000 amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1996' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $1,000,000, such amount shall be rounded to the next lower multiple of $1,000,000.''

(e) PER-ISSUER LIMITATION.—Section 1202(b)(1)(A) of the Internal Revenue Code of 1986 (relating to per-issuer limitation on taxpayer's gain) is amended by striking ''$10,000,000'' and inserting ''$20,000,000''.

(f) OTHER MODIFICATIONS.—

(1) WORKING CAPITAL LIMITATION.—Section 1202(e)(6) of the Internal Revenue Code of 1986 (relating to working capital) is amended by striking ''2 years'' each place it appears and inserting ''5 years''.

(2) REDEMPTION RULES.—Section 1203(c)(3) of such Code (relating to certain purchases by corporation of its own stock) is amended by adding at the end the following new subparagraph:

''(D) WAIVER WHERE BUSINESS PURPOSE.—A purchase of stock by the issuing corporation shall be disregarded for purposes of subparagraph (B) if the issuing corporation establishes that there was a business purpose for such purchase and one of the principal purposes of the purchase was not to avoid the limitation of this section.''

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock issued after the date of the enactment of this Act.

(2) SPECIAL RULE.—The amendments made by subsection (c), (e), and (f) shall apply to stock issued after August 10, 1993.

SEC. 3. ROLLOVER OF CAPITAL GAINS ON CERTAIN SMALL BUSINESS INVESTMENTS.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 of the Internal Revenue Code of 1986 (relating to common nontaxable exchanges) is amended by adding at the end the following new section:

''SEC. 1045. ROLLOVER OF GAIN ON SMALL BUSINESS INVESTMENTS.

''(a) NONRECOGNITION OF GAIN.—In the case of the sale of any eligible small business investment with respect to which the taxpayer elects the application of this section, gain from such sale shall be recognized only to the extent that the amount realized on such sale exceeds—

''(1) the cost of any other eligible small business investment purchased by the taxpayer during the 6-month period beginning on the date of such sale, reduced by

''(2) any portion of such cost previously taken into account under this section.

This section shall not apply to any gain which is treated as ordinary income for purposes of this subtitle.

''(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) PURCHASE.—The term 'purchase' has the meaning given such term by section 1043(b)(4).

''(2) ELIGIBLE SMALL BUSINESS INVESTMENT.—Except as otherwise provided in this section, the term 'eligible small business investment' means any stock in a domestic corporation, and any partnership interest in a domestic partnership, which is originally issued after December 31, 1996, if—

''(A) as of the date of issuance, such corporation or partnership is a qualified small business entity,

''(B) such stock or partnership interest is acquired by the taxpayer at its original issue (directly or through an underwriter)—

''(i) in exchange for money or other property (not including stock), or

''(ii) as compensation for services (other than services performed as an underwriter of such stock or partnership interest), and

''(C) the taxpayer has held such stock or interest at least 6 months as of the time of the sale described in subsection (a).

A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this section.

''(3) ACTIVE BUSINESS REQUIREMENT.—Stock in a corporation, and a partnership interest in a partnership, shall not be treated as an eligible small business investment unless, during substantially all of the taxpayer's holding period for such stock or partnership interest, such corporation or partnership meets the active business requirements of subsection (c). A rule similar to the rule of section 1202(c)(2)(B) shall apply for purposes of this section.

''(4) QUALIFIED SMALL BUSINESS ENTITY.—

''(A) IN GENERAL.—The term 'qualified small business entity' means any domestic corporation or partnership if—

''(i) such entity (and any predecessor thereof) had aggregate gross assets (as defined in section 1202(d)(2)) of less than $25,000,000 at all times before the issuance of the interest described in paragraph (2), and

''(ii) the aggregate gross assets (as so defined) of the entity immediately after the issuance (determined by taking into account amounts received in the issuance) are less than $25,000,000.

''(B) AGGREGATION RULES.—Rules similar to the rules of section 1202(d)(3) shall apply for purposes of this paragraph.

''(c) ACTIVE BUSINESS REQUIREMENT.—

''(1) IN GENERAL.—For purposes of subsection (b)(3), the requirements of this subsection are met by a qualified small business entity for any period if—

''(A) the entity is engaged in the active conduct of a trade or business, and

''(B) at least 80 percent (by value) of the assets of such entity are used in the active conduct of a qualified trade or business (within the meaning of section 1202(e)(3)).

Such requirements shall not be treated as met for any period if during such period the entity is described in subparagraph (A), (B), (C), or (D) of section 1202(e)(4).

''(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future trade or business, an entity is engaged in—

''(A) startup activities described in section 195(c)(1)(A),

''(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

''(C) activities with respect to in-house research expenses described in section 41(b)(4),

such entity shall be treated with respect to such activities as engaged in (and assets used in such activities shall be treated as used in) the active conduct of a trade or business. Any determination under this paragraph shall be made without regard to whether the entity has any gross income from such activities at the time of the determination.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), (7), and (8) of section 1202(e) shall apply for purposes of this subsection.

''(d) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of subsections (f), (g), (h), and (j) of section 1202 shall apply for purposes of this section, except that a 6-month holding period shall be substituted for a 5-year holding period where applicable.

''(e) BASIS ADJUSTMENTS.—If gain from any sale is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis for determining gain or loss of any eligible small business investment which is purchased by the taxpayer during the 6-month period described in subsection (a).

''(f) STATUTE OF LIMITATIONS.—If any gain is realized by the taxpayer on the sale or exchange of any eligible small business investment and there is in effect an election under subsection (a) with respect to such gain, then—

''(1) the statutory period for the assessment of any deficiency with respect to such gain shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

''(A) the taxpayer's cost of purchasing other eligible small business investments which the taxpayer claims results in nonrecognition of any part of such gain,

''(B) the taxpayer's intention not to purchase other eligible small business investments within the 6-month period described in subsection (a), or

''(C) a failure to make such purchase within such 6-month period, and

''(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through splitups, shell corporations, partnerships, or otherwise and regulations to modify the application of section 1202 to the extent necessary to apply such section to a partnership rather than a corporation.''

(b) CONFORMING AMENDMENT.—Paragraph (23) of section 1016(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''or 1044'' and inserting '', 1044, or 1045'', and

(2) by striking ''or 1044(d)'' and inserting '', 1044(d), or 1045(e)''.

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter O of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 1045. Rollover of gain on small business investments.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1996.

Mr. CLELAND. Mr. President, I rise this morning, to join my good colleague from Arkansas in support of the Small Business Capital Gains Enhancement Act of 1997.

Today, our country's economy is more robust and is growing faster than it has in the last decade and maybe even the last several decades. Fostering this growth is crucial to sustain the great and important strides that our economy has made in these past years and I believe that this legislation will go a long way to improving incentives for investment in small businesses. Cutting the capital gains tax in this targeted fashion is something that small businesses have time and again asked for because they know, as we all do, that investing in small businesses and providing capital for that investment creates growth and, more importantly, jobs.

Small businesses have had a striking impact on Georgia's economy. They are vital as job creators, and their diversity and composition provide a work force with endless opportunities and are easily the envy of the country.

Mr. President, according to the SBA, 97.6 percent of the business firms in Georgia are small businesses. Women-owned businesses have increased 62.7 percent since 1987. African American owned firms have increased 79.8 percent between 1987 and 1992. Hispanic firms, including part-time businesses, grew 184.9 percent in the same period of time. So the impact of this legislation is huge. These figures are numbers that corporate investors cannot—cannot—

ignore, but if section 1202 of the Internal Revenue Code doesn't allow them to invest in these small businesses, then I believe we are missing out on far more than the taxes that we collect as the law is now. We must make certain that these investors have every opportunity to become involved in the growing of small businesses. These are the ideal investors, they recognize that, and so should we, Mr. President.

I wish to add support to my colleague's comments that across-the-board cuts, while they may sound wonderful, can in fact have a negative impact toward small businesses as they compete with big businesses for investment dollars. It is important to maintain the differences between small business and big business capital gains taxes. Making adjustment in the present law and fine tuning where needed is smarter, in my opinion, than the alternatives of wide ranging or all encompassing legislative action.

This is an affordable tax cut and one that puts important capital dollars in the coffers of the men and women of this country who are creating jobs, creating economic opportunity, and giving hope to the country and I believe hope to our great future. I believe many of our colleagues will join us in our commitment to the small businesses of this country. I thank my friend from the wonderful State of Arkansas for his leadership and the opportunity to participate here with him this morning. This is a great opportunity that I look forward to supporting.

Mr. President, I yield the floor and any time that may remain.

By Mr. LEVIN:

S. 746. A bill to reaffirm and clarify the Federal relationship of the Burt Lake Band as a distinct federally recognized Indian tribe, and for other purposes; to the Committee on Indian Affairs.

THE BURT LAKE BAND OF OTTAWA AND CHIPPEWA INDIANS ACT

Mr. LEVIN. Mr. President, I rise today to introduce a bill to reaffirm the Federal recognition of the Burt Lake Band of Ottawa and Chippewa Indians. This legislation will reestablish the government-to-government relations of the United States and the Burt Lake Band. This is the same legislation which I introduced last Congress and which was originally introduced in the 103d Congress by my friend and colleague, Senator Donald Riegle.

Federal recognition for Burt Lake is vitally important for a variety of reasons. With this process completed the Band can move on to the tasks of improving the economic and social welfare of its people. More important however, passage of this legislation will clarify that the Burt Lake Band is a historically independent tribe.

The Band is named after Burt Lake, a small inland lake about 20 miles south of the straits of Mackinac. The Band already had deep roots in the area when a surveyor named Burt inspected the area in 1840. During the 1800's, the Burt Lake Band was a signatory to several Federal treaties, including the 1836 Treaty of Washington and the 1855 Treaty of Detroit. These treaties were enacted for the purpose of securing territory for settlement and development.

During the mid-1800's, the Federal Government turned over to the State of Michigan annuity moneys on the Band's behalf in order to purchase land. This land was later lost by the Band through tax sales, although trust land is nontaxable. The Band was subsequently evicted from their village. In 1911, the Federal Government brought a claim on behalf of Burt Lake against the State of Michigan. The autonomous existence of the Band at this stage is clear.

Although the Band has never had its Federal status legally terminated, the Bureau of Indian Affairs since the 1930's has not accorded the Band that status nor treated the Band as a federally recognized tribe. The Burt Lake Band, as well as the other tribes located in Michigan's lower peninsula were improperly denied the right to reorganize under the terms of the Indian Reorganization Act of 1934 even though they were deemed eligible to do so by the Indian Service at that time.

My Michigan colleague, Congressman DALE KILDEE, has sponsored a similar piece of legislation. I look forward to the consideration of this legislation by the respective committees in both the Senate and the House and its enactment into law. I also ask unanimous consent that a copy of this bill be printed in the RECORD.

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

S. 746

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 ''Burt Lake Band of Ottawa and Chippewa Indians Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Burt Lake Band of Ottawa and Chippewa Indians are descendants and political successors to the signatories of the treaty between the United States and the Ottawa and Chippewa nations of Indians at Washington, D.C. on March 28, 1836 (7 Stat. 491 et seq.), and the treaty between the United States and the Ottawa and Chippewa Indians of Michigan at Detroit on July 31, 1855 (11 Stat. 621 et seq.);

(2) the Grand Traverse Band of Ottawa and Chippewa Indians, the Sault Ste. Marie Tribe of Chippewa Indians, and the Bay Mills Band of Chippewa Indians, whose members are also descendants of the signatories to the treaties referred to in paragraph (1), have been recognized by the Federal Government as distinct Indian tribes;

(3) the Burt Lake Band of Ottawa and Chippewa Indians consists of over 650 eligible members who continue to reside close to their ancestral homeland as recognized in the reservations of lands under the treaties referred to in paragraph (1) in the area that is currently known as Cheboygan County, Michigan;

(4) the Band continues to exist and carry out political and social activities with a viable tribal government;

(5) the Band, along with other Michigan Odawa and Ottawa groups, including the tribes described in paragraph (2), formed the Northern Michigan Ottawa Association in 1948;

(6) the Northern Michigan Ottawa Association subsequently submitted a successful land claim with the Indian Claims Commission;

(7) during the period between 1948 and 1975, the Band carried out many governmental functions through the Northern Michigan Ottawa Association, and at the same time retained control over local decisions;

(8) in 1935, the Band submitted a petition under the Act of June 18, 1934 (commonly referred to as the ''Indian Reorganization Act'') (48 Stat. 984 et seq., chapter 576; 25 U.S.C. 461 et seq.), to form a government on behalf of the Band;

(9) in spite of the eligibility of the Band to form a government under the Act referred to in paragraph (8), the Bureau of Indian Affairs failed to act on the petition referred to in that paragraph; and

(10) from 1836 to the date of enactment of this Act, the Federal Government, the government of the State of Michigan, and political subdivisions of the State have had continuous dealings with the recognized political leaders of the Band.

SEC. 3. DEFINITIONS.

In this Act:

(1) BAND.—The term ''Band'' means the Burt Lake Band of Ottawa and Chippewa Indians.

(2) MEMBER.—The term ''member'' means any individual enrolled in the Band pursuant to section 7.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 4. FEDERAL RECOGNITION.

(a) FEDERAL RECOGNITION.—Congress reaffirms the Federal recognition of the Burt Lake Band of Ottawa and Chippewa Indians.

(b) APPLICABILITY OF FEDERAL LAWS.—Each provision of Federal law (including any regulation) of general application to Indians or Indian nations, tribes, or bands, including the Act of June 18, 1934 (commonly referred to as the ''Indian Reorganization Act'') (48 Stat. 984 et seq., chapter 576; 25 U.S.C. 461 et seq.), that is inconsistent with any specific provision of this Act shall not apply to the Band or any of its members.

(c) FEDERAL SERVICES AND BENEFITS.—

(1) IN GENERAL.—

(A) IN GENERAL.—The Band and its members shall be eligible for all services and benefits provided by the Federal Government to Indians because of their status as federally recognized Indians.

(B) SERVICES AND BENEFITS.—Notwithstanding any other provision of law, the services and benefits referred to in subparagraph (A) shall be provided after the date of enactment of this Act to the Band and its members without regard to—

(i) whether an Indian reservation exists for the Band; or

(ii) the location of the residence of any member on or near an Indian reservation.

(2) SERVICE AREAS.—

(A) IN GENERAL.—For purposes of the delivery of Federal services to the enrolled members of the Band, the area of the State of Michigan within a 70-mile radius of the boundaries of the reservation for the Burt Lake Band, as set forth in the seventh paragraph of Article I of the treaty between the United States and the Ottawa and Chippewa Indians of Michigan, done at Detroit on July 31, 1855 (11 Stat. 621 et seq.), shall be deemed to be within or near an Indian reservation.

(B) EFFECT OF ESTABLISHMENT OF AN INDIAN RESERVATION AFTER THE DATE OF ENACTMENT OF THIS ACT.—If an Indian reservation is established for the Band after the date of enactment of this Act, subparagraph (A) shall continue to apply on and after the date of the establishment of that reservation.

(C) PROVISION OF SERVICES AND BENEFITS OUTSIDE THE SERVICE AREA.—Unless prohibited by Federal law, the services and benefits referred to in paragraph (1) may be provided to members outside the service area described in subparagraph (A).

SEC. 5. REAFFIRMATION OF RIGHTS.

(a) IN GENERAL.—To the extent consistent with the reaffirmation of the recognition of the Band under section 4(a), all rights and privileges of the Band and its members, which may have been abrogated or diminished before the date of enactment of this Act, are reaffirmed.

(b) EXISTING RIGHTS OF TRIBE.—Nothing in this Act may be construed to diminish any right or privilege of the Band or its members that existed before the date of enactment of this Act. Except as otherwise specifically provided, nothing in this Act may be construed as altering or affecting any legal or equitable claim the Band may have to enforce any right or privilege reserved by or granted to the Band that was wrongfully denied to the Band or taken from the Band before the date of enactment of this Act.

SEC. 6. TRIBAL LANDS.

The tribal lands of the Band shall consist of all real property held by, or in trust for, the Band. The Secretary shall acquire real property for the Band. Any property acquired by the Secretary pursuant to this section shall be held in trust by the United States for the benefit of the Band and shall become part of the reservation of the Band.

SEC. 7. MEMBERSHIP.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Band shall submit to the Secretary a membership roll consisting of all individuals currently enrolled for membership in the Band at the time of the submission of the membership roll.

(b) QUALIFICATIONS.—The Band shall, in consultation with the Secretary, determine, pursuant to applicable laws (including ordinances) of the Band, the qualifications for including an individual on the membership roll.

(c) PUBLICATION OF NOTICE.—The Secretary shall publish notice of receipt of the membership roll in the Federal Register as soon as practicable after receiving the membership roll pursuant to subsection (a).

(d) MAINTENANCE OF ROLL.—The Band shall maintain the membership roll of the Band prepared pursuant to this section in such manner as to ensure that the membership roll is current.

SEC. 8. CONSTITUTION AND GOVERNING BODY.

(a) CONSTITUTION.—

(1) ADOPTION.—Not later than 2 years after the date of enactment of this Act, the Secretary shall conduct, by secret ballot, elections for the purpose of adopting a new constitution for the Band. The elections shall be held according to the procedures applicable to elections under section 16 of the Act of June 18, 1934 (commonly referred to as the ''Indian Reorganization Act'') (48 Stat. 987, chapter 576; 25 U.S.C. 476).

(2) INTERIM GOVERNING DOCUMENTS.—Until such time as a new constitution is adopted under paragraph (1), the governing documents in effect on the date of enactment of this Act shall be the interim governing documents for the Band.

(b) OFFICIALS.—

(1) ELECTIONS.—Not later than 180 days after the Band adopts a constitution and bylaws pursuant to subsection (a), the Band shall conduct elections by secret ballot for the purpose of electing officials for the Band as provided in the governing constitution of the Band. The elections shall be conducted according to the procedures described in the governing constitution and bylaws of the Band.

(2) INTERIM GOVERNMENTS.—Until such time as the Band elects new officials under paragraph (1), the governing bodies of the Band shall include each governing body of the Band in effect on the date of the enactment of this Act, or any succeeding governing body selected under the election procedures specified in the applicable interim governing documents of the Band.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. GRAHAM, Mr. HATCH, Ms. MOSELEY-BRAUN, Mr. GRASSLEY, Mr. BAUCUS, Mr. GRAMM, Mr. CONRAD, Mr. NICKLES, Mr. BREAUX, Mr. JEFFORDS, Mr. BRYAN, Mr. ROCKEFELLER, Mr. KERREY, Mr. MURKOWSKI, Mr. D'AMATO, and Mr. LOTT):

S. 747. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations; to the Committee on Finance.

NORMAL TRADE RELATIONS LEGISLATION

Mr. ROTH. Mr. President, I rise today to introduce a bill to clarify the meaning of the term, ''most-favored-nation trading status.'' I do so because the term gives the false impression that MFN is some sort of special privilege or reward.

In fact, MFN is not a special privilege or reward. It designates the most ordinary, most normal trading relationship among countries. Since the founding of our Republic, the principle of nondiscrimination embodied in MFN has served as the cornerstone of U.S. international trade policy.

In its most basic trade application, this principle requires a country to apply the same tariff duty rate on a particular product from one country as it applies to imports of the same product from all other countries.

For example, if the U.S. tariff on imported clock radios is 5 percent, all clock radios imported from countries with MFN status are subject to a 5-percent tariff. Imports from countries that do not have MFN status—and there are only six countries that fall into this category—are subject to far higher duty rates.

Another important point about MFN is that it is not a one-way street. When we give MFN status to a particular country, that country, in return, gives the United States most-favored-nation status.

Therefore, because we give Singapore MFN status, the clock radios we import from that country are subject to the same tariff rates as clock radios from Thailand, Spain, or any other country to which we extend MFN.

In return, when Singapore imports our computer chips, it imposes the same tariff on United States chips as those imported from Japan, Korea, Great Britain, or any other country to which it extends MFN.

What does the United States get out of all this? American companies get to compete on fair and equal terms with their foreign rivals.

Let me emphasize again: MFN status does not confer—let alone imply—special treatment.

In fact, when we decide to give special treatment to imports from other countries—as Congress has expressly chosen to do for certain products from over 130 nations—those imports are subject to tariff rates substantially below the MFN rate. Sometimes we even allow specified countries to export products to the United States duty free.

In short, MFN status denotes the standard, not the exceptional, trading relationship. Ending this standard trading relationship by revoking MFN is an extreme measure. In fact, because MFN is so fundamental to trade relations among countries, some correctly liken its withdrawal to a declaration of economic war.

Because of the confusion created by the phrase, ''most-favored-nation trading status,'' Senator MOYNIHAN and I and virtually all the Members of the Finance Committee have agreed to introduce legislation to replace the phrase wherever appropriate in U.S. trade law with a more suitable term—''normal trade relations''—a term that underscores the unexceptional nature of the MFN concept. I believe that if we adopt this legislation, we will all better understand the issue, and our discussions on extending normal trade relations to various countries will be more constructive.

It should be clear to our trading partners that creating this new term will not alter our international rights and obligations. Rather, in choosing the term ''normal trade relations'' we aim to describe more accurately the nondiscriminatory principles underlying U.S. trade law and policy.

Last year, similar legislation passed the Senate unanimously. I ask my colleagues to do the same again this year.

Mr. MOYNIHAN. Mr. President, I am pleased to join once again with the distinguished Chairman of the Finance Committee, Senator ROTH, to reintroduce legislation that will, we believe, help to dispel the fog that sometimes shrouds our discussions of trade policy. This bill would, simply and directly, replace the term ''most favored nation'' with the phrase ''normal trade relations''—a more accurate, less muddled phrase that better describes this fundamental principle of trade policy.

The concept is well established. It has been traced by historians to the 13th century. More particularly, to a clause in the treaty of November 8, 1226, in which the Emperor Frederick II conceded to the city of Marseilles the privileges previously granted to the citizens of Pisa and of Genoa. Not greater privileges, but merely the same as had been extended to others.

The term itself—''most favored nation''—dates to the end of the 17th century. And has been nearly as long a

cornerstone of American trade policy. Since the 18th century, our trade policy has been grounded on the principle of nondiscrimination: the vast majority of our trading partners receive treatment equal to the treatment we give every other trading partner. In no sense can this fairly be characterized as most favored treatment; rather it is the treatment that we normally accord our trading partners.

And yet we continue to use that 17th century term in treaties and agreements, in executive orders and in trade laws, a term that, even at the beginning, was a misnomer. There is, Mr. President, no single most favored nation. There never really was.

As noted in a 1919 report to the Congress by the United States Tariff Commission, known today as the United States International Trade Commission:

> It is neither the purpose nor the effect of the most-favored-nation clause to establish a ''most favored nation''; on the contrary its use implies the intention that the maximum of advantages which either of the parties to a treaty has extended or shall extend to any third State—for the moment the ''most-favored''—shall be given or be made accessible to the other party.

That is, the most favored nation is not the nation with which we are negotiating, but rather a third nation altogether that happens to benefit at the moment from lower tariffs or other preferences with respect to some particular product. The most-favored-nation principle means merely that we will grant to our negotiating partner the same terms that we have given to that third country, for the moment more favored.

Little wonder, then, that the term has created confusion. And yet we must continue to discuss the concept for the simple reason that there exists still, in U.S. law, a very unfavorable tariff—the Smoot-Hawley tariff (stemming from the 1930 act of the same name). This was the last tariff schedule enacted line-by-line by the Congress and it produced the highest tariff rates, overall, in our history. It is still on the books, though it applies only to a handful of countries.

In response to the disaster that followed enactment of the Smoot-Hawley tariff, which, at the time applied to all of our trading partners, Congress authorized the Roosevelt administration to negotiate a series of trade agreements aimed at reducing tariffs worldwide. These efforts culminated in a series of trade agreements with individual countries, and ultimately paved the way for a series of broad multilateral negotiations under the auspices of the General Agreement on Tariffs and Trade that reduced American tariffs, just as they slashed tariffs worldwide. These much lower tariff rates are the tariffs that we call our most-favored-nation tariff rates and they apply, in fact, to the vast majority of countries. They are thus the norm, and not in any way more favorable tariffs.

They are, indeed, not the lowest tariff rates that the United States applies. We have free-trade arrangements with Canada, Israel, and Mexico that call for the complete elimination of tariffs. We have eliminated tariffs on certain imports from developing countries under the Generalized System of Preferences, from Caribbean nations under the Caribbean Basin Initiative and from Andean countries under the Andean Trade Preferences Act. The tariff rates under these regimes are, in all cases, lower than what we now call our most-favored-nation tariff rates. Hence the confusion, and hence the need to find a more apt phrase.

Mr. President, this legislation will be familiar to most of my colleagues. The identical bill was introduced in the 104th Congress with the cosponsorship of the entire Finance Committee and it passed the Senate by unanimous consent. I expect that we will be able to repeat that victory in the 105th Congress, and I hope that we can do so promptly.

Let me underscore that this legislation in no way alters the bedrock principles of equal treatment or nondiscrimination. It merely drops an outdated term in favor of one that ought to help make our trade policy more comprehensible to the American public.

Mr. CHAFEE. Mr. President, today Senators ROTH, MOYNIHAN, and I, along with others on the Finance Committee, are introducing legislation to clarify the meaning of most favored nation [MFN] trading status—a change I have advocated for some time.

Over the past few years, MFN has gained notoriety as a special favor that the U.S. grants to other nations. Not true. Indeed, MFN is a misnomer if there ever was one.

Rather, MFN refers to a centuries-old concept used by all trading nations—the concept that no nation shall be granted trade treatment less favorable than that granted to the most-favored-nation. In other words, no playing favorites! Every nation is to receive equal treatment when it comes to the terms of trade.

Thus, the MFN concept represents the lowest common denominator of trade status.

Over the centuries, this simple nondiscrimination concept came to be known as most favored nation status. Frankly, that is unfortunate. That particular terminology has fostered the mistaken view that MFN is a special treatment granted only to a privileged few. Yet just the opposite is true: MFN, as the basic trading status between nations, is granted to virtually all nations with whom the U.S. trades. The exceptions can almost be counted on one hand: Serbia, Laos, Afghanistan, Vietnam, Cuba, and North Korea.

In sum, while the concept of MFN is sound, the term used to denote that concept is misleading and has resulted in a good deal of mischief—a fact that Senators MOYNIHAN and I have lamented often during Senate Finance Committee hearings. It is high time that we called the MFN nondiscrimination concept by a term that more accurately represents its meaning.

Therefore, today my colleagues and I are introducing this bill to amend U.S. law, where appropriate, to replace the term ''MFN'' with the term ''NTR''; normal trade relations. From this point on, we will discuss legislation and hold debate on the nondiscrimination concept using the term ''NTR'' in place of MFN.

Will the concept of MFN remain the same? Yes. Are we signalling a change in domestic policy, or modifying our international obligations in any way? No. But we are making perfectly clear to everyone the true meaning and purpose of this centuries-old concept. And it is my hope that our legislation will result in a better understanding of international trade relations, both here in the Congress and in the eyes of the public.

Last year, Senators ROTH, MOYNIHAN, and I introduced a virtually identical bill, again with the support of Finance Committee members. That bill sailed through the Senate unanimously, and was sent to the House of Representatives. However, the house was not able to act on the bill prior to the date of adjournment of the 104th Congress. It is my hope that by introducing this bill tody, there will be more than enough time this year to move the measure through both chambers and send it to the President for his signature. I therefore urge swift consideration of our legislation by the Senate.

By Mr. BINGAMAN (for himself, Mrs. HUTCHISON, Ms. MIKULSKI, Mr. BUMPERS, Ms. COLLINS, and Mr. ROBB):

S. 748. A bill to provide for college affordability and high standards; to the Committee on Labor and Human Resources.

THE COLLEGE AFFORDABILITY AND HIGH STANDARDS ACT OF 1997

Mr. BINGAMAN. Mr. President, during the last few years, many of us have been trying to figure out how to solve some of the troubling questions surrounding public education. These issues include two core questions, one about inadequate academic standards and the the other about the skyrocketing cost of going on to college.

What can we do to improve the standards of academic performance in our schools and, how can we make college more affordable to more of our students?

One very straightforward answer is to expand the number of advanced placement courses taught in our schools and to increase the number of students who have the opportunity to take those courses.

Let me briefly describe what an advanced placement, or AP, course really is. The AP program is a set of college-level courses that are usually taught to high school juniors and seniors for college credit. They are taken on a voluntary basis. These courses are now

taught in a majority of our high schools. They use locally developed materials. However, the year-end AP exams are evaluated on a uniform basis, making test scores comparable nationwide. Overall, there are 30 different AP courses, although most students take them in the areas of math and history and science and English.

Today, I rise to introduce the College Affordability and High Standards Act of 1997, which is also being cosponsored by Senators HUTCHISON, MIKULSKI, BUMPERS and COLLINS. This legislation will allow thousands of additional high school students to participate in AP courses. The bill focuses on low-income and minority students who often attend school in less affluent or in isolated areas.

I am introducing this bill based in part on several recent visits to New Mexico high schools, where I learned that what students want is more well-trained teachers. They are asking for more challenging academic work. In my home State, in schools like West Mesa High School in Albuquerque and Las Cruces High School, AP students told me they never thought they could succeed in classes that are this challenging. There is great satisfaction and pride, evidenced by their ability to succeed.

While it may seem new, this is not an entirely new approach to raising academics and lowering college costs. In fact, we have had legislation proposed before by Senator Kassebaum and a bipartisan group of other Members, which became law in 1992 and is still in effect. We are just building on this approach. In addition, Secretary Riley, the late President of the AFT Al Shanker, and Boston Schools Superintendent Tom Payzant have spoken out on this.

Most importantly, 23 States today provide some type of incentive program to encourage more AP participation. I have a chart I want to show my colleagues to make the point, which shows where there are initiatives to promote AP instruction.

The States in white do not have an incentive program in place. We need to supplement the 23 States listed on this map with AP programs in the other 27 States, and we need to have every State in the Union promoting more advance placement courses. In essence, that is the purpose of this legislation.

There is a long-outdated myth that I want to address very briefly about what type of students take these AP courses. There has been in the past the impression that AP courses are only for the elite. The truth is, more and more students from minority groups from various backgrounds are taking AP courses today, as this chart shows, with out a decrease in rigor or quality.

Roughly 1.5 million students participated—80 percent from public schools, 55 percent female, and 30 percent minority.

Almost 60 percent of all high schools offered AP courses, and over 800,000 exams were taken.

As a result of this growth, the AP program is the most widely accepted program of high academic standards in the nation.

THE BENEFITS OF PARTICIPATING IN AP

Participation is skyrocketing and States are spending funds on AP largely because of the benefits of the program:

AP test scores of 3 or better are valuable because they are accepted for credit at nearly 3,000 colleges and universities nationwide.

AP programs raise academic standards in schools and improve students' academic performance in college.

For students who plan to go directly to work, AP programs provide a world-class education with high-level skills that can be easily compared among prospective job candidates.

GROWTH IN MINORITY PARTICIPATION

Largely as a result of the 23 State AP incentive programs, overall participation and in particular the number of minority participants have increased tremendously:

The overall number of exams taken by minorities has increased to over 200,000 students in 1996—an increase of 36,000 students—21 percent—in just 2 years.

Minority participation in the New Mexico program increased 74 percent for Hispanic students and 950 percent for native Americans from 1994 to 1996.

Participation among Hispanics in Texas nearly tripled over the last 4 years, from under 2,000 students to over 5,000.

These figures are showing us that low-income and underserved students have the same ability to meet the academic challenge and the same need to lower college costs.

STATE PROGRAMS

Each of the States trying to increase AP participation does it a little bit differently, with annual budgets that range from $50,000 to over $2 million.

Some States focus more on training more AP teachers, some on helping schools with start-up funding for new classes and labs, and others on subsidizing part of the AP test fee for some students.

However, despite the growing number of State programs, AP programs are still often distributed unevenly among regions, States, and even among high schools in the same districts.

Some States like Texas are quickly catching up to the rising national participation rate by dedicating a significant amount of consistent State funding.

Meanwhile, other States such as New Mexico are struggling to keep up, with relatively small annual budgets that rise and fall each year.

WHAT THE LEGISLATION DOES

The legislation I am introducing today will both help the remaining States start new programs and help the States that are already involved continue and expand their efforts.

To help expand access to these courses more evenly, this legislation is designed to accommodate the variety of programs that States have designed.

At its core, the bill focuses on supporting State programs that help increase AP participation among underserved groups of students, and helping pay for part of the AP test fees for low-income students.

In addition, it would help make AP programs a part of other federal education initiatives, encouraging States and districts to use education technology and teacher training funds to provide AP courses to underserved areas.

Several Star Schools and State Eisenhower Program grantees are already taking this approach, with tremendous success being reported.

CONCLUSION

Let me conclude by pointing out that this approach has a long, bipartisan history, and was originally advocated by Members including Senators STEVENS, Kassebaum, and Seymour, as well as Congressmen CUNNINGHAM, GOODLING, OWENS, BECERRA, and MILLER.

Having seen from New Mexico's experience what tremendous good can come out of even a small investment in AP incentives.

For these reasons, I urge my colleagues to consider the many benefits of this approach and support this legislation and the $6 million appropriations request for 1998 that has already been made by the administration.

Mr. President, I encourage my colleagues to support this legislation as the session proceeds.

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. 748

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 ''College Affordability and High Standards Act of 1997''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) far too many students are not being provided sufficient academic preparation in secondary school, which results in limited employment opportunities, college dropout rates of over 25 percent for the first year of college, and remediation for almost one-third of incoming college freshmen;

(2) there is a growing consensus that raising academic standards, establishing high academic expectations, and showing concrete results are at the core of improving public education;

(3) modeling academic standards on the well-known program of advanced placement courses is an approach that many education leaders and almost half of all States have endorsed;

(4) advanced placement programs already are providing almost 30 different college-level courses, serving almost 60 percent of all secondary schools, reaching a 1,500,000 student population (of which 80 percent attend public schools, 55 percent are females, and 30 percent are minorities), and providing test scores that are accepted for college credit at

almost 3,000 colleges and universities, every university in Germany, France, and Austria, and most institutions in Canada and the United Kingdom;

(5) 24 States are now funding programs to increase participation in advanced placement programs, including 19 States that provide funds for advanced placement teacher professional development, 3 States that require that advanced placement courses be offered, 10 States that pay the fees for advanced placement tests for some or all students, and 4 States that require that their universities grant uniform academic credit for scores of 3 or better on advanced placement tests; and

(6) the State programs described in paragraph (5) have shown the responsiveness of schools and students to such programs, raised the academic standards for both students participating in such programs and other children taught by teachers who are involved in advanced placement courses, and shown tremendous success in increasing enrollment, achievement, and minority participation in advanced placement programs.

(b) PURPOSES.—The purposes of this Act are—

(1) to encourage more of the 600,000 students who take advanced placement courses but do not take advanced placement exams each year to demonstrate their achievements through taking the exams;

(2) to build on the many benefits of advanced placement programs for students, which benefits may include the acquisition of skills that are important to many employers, Scholastic Aptitude Tests (SAT) scores that are 100 points above the national averages, and the achievement of better grades than the grades of students who have not participated in the programs;

(3) to support State and local efforts to raise academic standards through advanced placement programs, and thus further increase the number of students who participate and succeed in advanced placement programs;

(4) to increase the availability and broaden the range of schools that have advanced placement programs, which programs are still often distributed unevenly among regions, States, and even secondary schools within the same school districts, while also increasing and diversifying student participation in the programs;

(5) to build on the State programs described in subsection (a)(5) and demonstrate that larger and more diverse groups of students can participate and succeed in advanced placement programs; and

(6) to provide access to advanced placement courses for secondary school juniors at schools that do not offer advanced placement programs, increase the rate of secondary school juniors and seniors who participate in advanced placement courses to 25 percent of the secondary school student population, and increase the numbers of students who receive advanced placement test scores for which college academic credit is awarded.

SEC. 3. ADVANCED PLACEMENT DEMONSTRATION PROGRAM GRANTS.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—Subject to subsection (e) and from amounts appropriated under the authority of subsection (g) for a fiscal year, the Secretary shall award grants, on a competitive basis, to eligible entities for the fiscal year to enable the eligible entities to carry out the authorized activities described in subsection (c).

(2) DURATION AND PAYMENTS.—

(A) DURATION.—The Secretary shall award a grant under this section for a period of 3 years.

(B) PAYMENTS.—The Secretary shall make grant payments under this section on an annual basis.

(3) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ''eligible entity'' means a State educational agency, or in the case of a State for which the State educational agency does not receive a grant under this section, a local educational agency in the State.

(b) PRIORITY.—In awarding grants under this section the Secretary shall give priority to eligible entities submitting applications under subsection (d) that demonstrate—

(1) a pervasive need for access to advanced placement incentive programs;

(2) the involvement of business and community organizations in the activities to be assisted;

(3) a focus on developing or expanding advanced placement programs and participation in the core academic areas of English, mathematics, and science; and

(4) the availability of matching funds from State or local sources.

(c) AUTHORIZED ACTIVITIES.—An eligible entity may use grant funds under this section to expand access for low-income individuals to advanced placement incentive programs that involve—

(1) teacher training;

(2) preadvanced placement course development;

(3) curriculum coordination and articulation between grade levels that prepares students for advanced placement courses;

(4) curriculum development; and

(5) any other activity related to expanding access to and participation in advanced placement incentive programs for low-income individuals.

(d) APPLICATION.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

(e) SPECIAL RULE.—The Secretary shall award a grant under this section for a fiscal year only if the College Board expends for the College Board Fee Assistance Program for the fiscal year at least the amount of funds the College Board expended for the program for the preceding fiscal year.

(f) DATA COLLECTION AND REPORTING.—

(1) DATA COLLECTION.—Each eligible entity receiving a grant under this section shall annually report to the Secretary—

(A) the number of advanced placement tests taken by students served by the eligible entity;

(B) the scores on the advanced placement tests; and

(C) demographic information regarding individuals taking the advanced placement tests.

(2) REPORT.—The Secretary shall annually compile the information received from each eligible entity under paragraph (1) and report to Congress regarding the information.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1998, and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 4. ADDITIONAL PRIORITIES FOR ADVANCED PLACEMENT.

(a) STUDENT INCENTIVES.—

(1) BYRD SCHOLARSHIPS.—Section 419G(a) of the Higher Education Act of 1965 (20 U.S.C. 1070d–37(a)) is amended by adding at the end the following: ''The criteria shall take into consideration participation and performance in advanced placement courses.''.

(2) DISSEMINATION OF ADVANCED PLACEMENT INFORMATION.—Each institution of higher education receiving Federal funds for research or for programs assisted under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.)—

(A) shall distribute to secondary school counselors or advanced placement coordinators in the State information with respect to the amount and type of academic credit provided to students at the institution of higher education for advanced placement test scores; and

(B) shall standardize, not later than 4 years after the date of enactment of this Act, the form and manner in which the information described in subparagraph (A) is disseminated by the various departments, offices, or other divisions of the institution of higher education.

(b) STATE AND LOCAL INITIATIVES.—

(1) JAVITS GIFTED AND TALENTED STUDENTS.—Section 10205(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8035(a)) is amended—

(A) in paragraph (1), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to programs and projects for gifted and talented students that build on or otherwise incorporate advanced placement courses and tests.''.

(2) UPWARD BOUND PROGRAM.—Section 402C of the Higher Education Act of 1965 (20 U.S.C. 1070a–13) is amended by adding at the end the following:

''(f) PRIORITY.—The Secretary shall give priority in awarding grants under this section to upward bound projects that focus on increasing secondary school student participation and success in advanced placement courses.''.

(3) EISENHOWER PROFESSIONAL DEVELOPMENT.—

(A) FEDERAL ACTIVITIES.—Section 2101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621) is amended by adding at the end the following:

''(c) PRIORITY.—The Secretary shall give priority in awarding grants and entering into contracts and cooperative agreements under this part to activities that involve training in advanced placement instruction.''.

(B) STATE AND LOCAL ACTIVITIES.—Section 2207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6647) is amended—

(i) in paragraph (12), by striking ''and'' after the semicolon;

(ii) in paragraph (13), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(14) providing professional development activities involving training in advanced placement instruction.''.

(4) TECHNOLOGY.—

(A) STAR SCHOOLS.—Section 3204 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6894) is amended by adding at the end the following:

''(i) ADVANCED PLACEMENT INSTRUCTION.—Each eligible entity receiving funds under this part is encouraged to deliver advanced placement instruction to underserved communities.''.

(B) EDUCATION TECHNOLOGY GRANTS.—Subpart 2 of part A of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6841 et seq.) is amended—

(i) in section 3134 (20 U.S.C. 6844)—

(I) in paragraph (5), by striking ''and'' after the semicolon;

(II) in paragraph (6), by striking the period and inserting ''; and''; and

(III) by adding at the end the following:

''(7) providing education technology for advanced placement instruction.''; and

(ii) in section 3136(c) (20 U.S.C. 6846(c))—

(I) in paragraph (4), by striking ''and'' after the semicolon;

(II) in paragraph (5), by striking the period and inserting ''; and''; and

(III) by adding at the end the following:

''(6) the project will use education technology for advanced placement instruction.''.

SEC. 5. ADVANCED PLACEMENT TEST FEE REDUCTION PROGRAM.

Part G of title XV of the Higher Education Amendments of 1992 (20 U.S.C. 1070a–11 note) is amended to read as follows:

''PART G—ADVANCED PLACEMENT TEST FEE REDUCTION PROGRAM

''SEC. 1545. ADVANCED PLACEMENT TEST FEE REDUCTION PROGRAM.

''(a) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—Subject to subsection (g) and from amounts appropriated under the authority of subsection (j) for a fiscal year, the Secretary shall award grants to State educational agencies for the fiscal year to enable the State educational agencies to carry out the authorized activities described in subsection (d).

''(2) AMOUNT.—

''(A) IN GENERAL.—The Secretary shall award a State educational agency a grant under this section for a fiscal year in an amount based on $25 for each eligible low-income individual in the State who takes an advanced placement test for the fiscal year.

''(B) ADJUSTMENTS.—The Secretary may adjust the dollar figure in subparagraph (A) to reflect changes in inflation or in amounts appropriated under the authority of subsection (j).

''(b) INFORMATION DISSEMINATION.—The State educational agency shall disseminate information on the activities assisted under this section to low-income individuals through secondary school teachers and guidance counselors.

''(c) PRIORITY.—The Secretary shall give priority in awarding grants under this section for a fiscal year to State educational agencies serving States that—

''(1) expend State funds—

''(A) to lower advanced placement test fees for eligible low-income individuals; or

''(B) to expand the State pool of teachers prepared to teach advanced placement courses to low-income individuals or in underserved communities;

''(2) use more than a negligible amount of funds provided under title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) or other Federal funds to increase participation in advanced placement incentive programs; or

''(3) operate, on the date of enactment of the College Affordability and High Standards Act of 1997, an advanced placement incentive program.

''(d) AUTHORIZED ACTIVITIES.—A State educational agency may use grant funds under this section for activities that are related to expanding access for low-income individuals or in underserved communities to advanced placement tests, and involve—

''(1) establishing or expanding an advanced placement test fee reduction program for eligible low-income individuals that may include—

''(A) varying the amount or type of advanced placement test fee reimbursement for eligible low-income individuals; or

''(B) establishing a sliding scale advanced placement test fee reimbursement program based on an eligible low-income individual's annual gross income; or

''(2) only in the case of a State that operates an advanced placement test fee reduction program on the date of enactment of the College Affordability and High Standards Act of 1997, expanding the program or carrying out any activity that meets the requirements of subparagraph (A) or (B) of subsection (c)(1).

''(e) SPECIAL RULES.—

''(1) REMAINING FUNDS.—If any funds authorized to be appropriated under the authority of subsection (j) for a fiscal year remain available after the Secretary awards grants to State educational agencies under this section for the fiscal year, then the Secretary shall use the remaining funds to award grants under this section for the succeeding fiscal year.

''(2) MAINTENANCE OF EFFORT.—The State educational agency, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State educational agency for advanced placement incentive programs at a level of such expenditures maintained by the State educational agency for the fiscal year preceding the fiscal year for which the grant is received.

''(f) APPLICATION.—Each State educational agency desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

''(g) REQUIREMENT.—The Secretary shall award a grant under this section for a fiscal year only if the College Board expends for the College Board Fee Assistance Program for the fiscal year at least the amount of funds the College Board expended for such program for the preceding fiscal year.

''(h) DATA COLLECTION AND REPORTING.—

''(1) DATA COLLECTION.—Each State educational agency receiving a grant under this section shall annually report to the Secretary—

''(A) the number of advanced placement tests taken by students served by the State educational agency;

''(B) the scores on the advanced placement tests; and

''(C) demographic information regarding individuals taking the advanced placement tests.

''(2) REPORT.—The Secretary shall annually compile the information received from each State educational agency under paragraph (1) and report to Congress regarding the information.

''(i) DEFINITIONS.—In this section:

''(1) ADVANCED PLACEMENT INCENTIVE PROGRAM.—The term 'advanced placement incentive program' means a program that provides advanced placement activities and services to low-income individuals.

''(2) ADVANCED PLACEMENT TEST.—The term 'advanced placement test' means an advanced placement test administered by the College Board or approved by the Secretary.

''(3) ELIGIBLE LOW-INCOME INDIVIDUAL.—The term 'eligible low-income individual' means a low-income individual (as defined in section 402A(g)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(g)(2)) who is academically prepared to successfully take an advanced placement test as determined by a secondary school teacher or advanced placement coordinator taking into consideration factors such as enrollment and performance in an advanced placement course or superior academic ability.

''(4) SECONDARY SCHOOL; AND STATE EDUCATIONAL AGENCY.—The terms 'secondary school' and 'State educational agency' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(5) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(6) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $6,000,000 for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 6. DEFINITIONS.

In this Act:

(1) ADVANCED PLACEMENT INCENTIVE PROGRAM.—The term ''advanced placement incentive program'' means a program that provides advanced placement activities and services to low-income individuals.

(2) ADVANCED PLACEMENT TEST.—The term ''advanced placement test'' means an advanced placement test administered by the College Board or approved by the Secretary.

(3) ELIGIBLE LOW-INCOME INDIVIDUAL.—The term ''eligible low-income individual'' means a low-income individual (as defined in section 402A(g)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(g)(2)) who is academically prepared to successfully take an advanced placement test as determined by a school teacher or advanced placement coordinator taking into consideration factors such as enrollment and performance in an advanced placement course or superior academic ability.

(4) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(5) LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; AND STATE EDUCATIONAL AGENCY.—The terms ''local educational agency'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(7) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

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

S. 749. A bill to provide for more effective management of the national grasslands, and for other purposes; to the Committee on Energy and Natural Resources.

THE NATIONAL GRASSLANDS MANAGEMENT ACT

Mr. DORGAN. Mr. President, today I am introducing the National Grasslands Management Act. I introduced this bill in the 104th Congress as well. This bill applies primarily to the grasslands in the Dakotas and half a dozen other States. I want to explain briefly what the objective of this bill is and how it came about. North Dakota has been particularly concerned about management reform because it embraces over 25 percent and 1.2 million acres of all national grasslands. Many North Dakota ranching families have earned their livelihood on these lands for several generations.

For several years, however, the ranchers in western North Dakota have been asking for a less cumbersome approach to management of the grasslands and both chambers of the 1995 legislature passed a resolution unanimously asking for management reform on the grasslands as well. Here is why.

The current regulatory regime is cumbersome mainly because the Forest

Service must manage the grasslands under the same framework as it does the rest of the National Forest System. It doesn't handle efficiently the day-to-day problems of the ranchers and grazing associations. For example, ranchers have had to wait for as long as 2 to 3 years to get approval for a stock tank because of the labyrinth of regulations that the Forest Service overlays on the management of the grasslands. This legislation will change that by removing the national grasslands from the National Forest System and creating a new structure of rules specifically suited to the ecology of the grasslands.

However, it is not only the rancher's needs that my bill addresses. It will also protect a broad range of uses on the public lands. All hunting, fishing, and recreational activities will continue as before and environmental protections will continue actually be strengthened. Further, it is my intention that the public must be involved in the decisionmaking process as these new rules are implemented. Only by working together can we solve the problems on the grasslands.

Let me reassure the conservation community that this bill, which was originally incorporated as part of a larger grazing package during the 104th Congress, will not make grazing the dominant use of the public lands at the expense of other uses. This bill includes specific provisions to protect hunting and fishing, and preserves the multiple uses of the national grasslands, preserves public participation in the management of the grasslands and keeps the link between the Grasslands and major environmental laws such as the Endangered Species Act, the Clean Air Act, and the Clean Water Act.

I have worked diligently with the ranchers, environmentalists, and other recreational users of the grasslands to ensure a balanced approach to grasslands management. The result of that work is the National Grasslands Management Act that I am introducing today.

The legislation explicitly states that there will be no diminished hunting or fishing opportunities, that all applicable environmental laws will apply to those lands, and that the grasslands will be managed under a multiple use policy. The bill directs the Secretary to promulgate regulations which both promote the efficient administration of livestock agriculture and provide environmental protection equivalent to that of the National Forest System.

In short, I believe that the National Grasslands Management Act is a solid piece of legislation that will make the administration of the grasslands more responsive to the people who live there, without diminishing the rights and opportunities of other multiple users of this public land. It will help to preserve the historic ranching economy and lifestyle of western North Dakota and other areas in the West will be protecting the environment. I urge my colleagues to support this initiative.

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

S. 750. A bill to consolidate certain mineral interests in the National Grasslands in Billings County, North Dakota, through the exchange of Federal and private mineral interests to enhance land management capabilities and environmental and wildlife protection, and for other purposes; to the Committee on Energy and Natural Resources.

MINERAL EXCHANGE LEGISLATION

Mr. DORGAN. Mr. President, today I am introducing a bill that will facilitate a mineral exchange in western North Dakota. I introduced this bill at the end of the last Congress and hope to move forward in this Congress with a proposal based on that effort. The purpose of this mineral exchange is to consolidate certain mineral estates of both the U.S. Forest Service and Burlington Resources, formerly known as Meridian Oil. This consolidation will produce tangible benefits to an economically distressed region in North Dakota and also protect environmentally-sensitive areas.

For years, the land and mineral ownership pattern in Western North Dakota has been extremely fragmented. In many cases the Forest Service owns and manages the surface land while private parties, such as Burlington Resources, own the subsurface mineral estates. This fragmentation has not only frustrated the management objectives of the Forest Service, it has also inhibited mineral exploration and development.

The bill will definitely promote environmental protection. By consolidating the mineral estates, the Forest Service will have the opportunity to protect the view-shed along the wonderfully scenic Little Missouri River, creating a more attractive hunting, fishing, and hiking area. Further, the mineral exchange will protect certain bighorn sheep lambing areas. The area protected by the mineral exchange is one of the last places that provides adequate habitat and escape cover for bighorn sheep. The Forest Service and Burlington have already signed a memorandum of understanding which will bolster the protection of wildlife and wildlife habitat after the exchange is concluded. The exchange is also supported by all major environmental groups in the state, the Governor of North Dakota, and the Bureau of Land Management's Dakotas Resource Advisory Council.

The bill will also strengthen the regional economy. Burlington Resources supports this legislation. Burlington will have better opportunities for mineral exploration and development within its consolidated mineral estates. This increased development will benefit not only Burlington, but also Billings County and the State of North Dakota through increased tax revenues.

One point that I would like to make clear is that this mineral exchange should in no way be seen as affecting the multiple uses of the land. Current multiple uses, such as recreation, livestock grazing, watershed protection or fish, and wildlife purposes, will continue as before. This is not a wilderness bill, but a proposal to swap mineral rights in order to enhance the environment and to stimulate economic activity in a depressed area. I do not favor the designation of wilderness within Billings County.

May I further underscore that this mineral exchange costs the U.S. taxpayer nothing. The bill provides for an exchange of about the same number of acres with equivalent monetary values. Yet, this no-cost transaction will yield substantial economic, environmental, and management dividends.

Further, the bill does not rely on the government imposing a solution. Rather, this voluntary agreement embodies a consensus reached between the affected parties, the mineral holders, the state and its citizens, the environmental organizations, and the U.S. Forest Service.

Finally, may I stress that there is an urgent need for action on the exchange. I would ask unanimous consent that the text of the bill, letters of support from the Governor of North Dakota, the Bureau of Land Management's Dakotas Resource Council, and the Sierra Club, and the memorandum of understanding signed by the Forest Service and Burlington Resources be entered into the RECORD in order to aid my colleagues in their deliberations on the bill. In turn, I urge my colleagues to support timely passage of this bill.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 750

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

SECTION 1. EXCHANGE OF CERTAIN MINERAL INTERESTS IN BILLINGS COUNTY, NORTH DAKOTA.

(a) PURPOSE.—The purpose of this section is to consolidate certain mineral interests in the Little Missouri National Grasslands in Billings County, North Dakota, through the exchange of Federal and private mineral interests in order to enhance land management capability and environmental and wildlife protection.

(b) EXCHANGE.—Notwithstanding any other provision of law—

(1) if, not later than 45 days after the date of enactment of this Act, Burlington Resources Oil & Gas Company (referred to in this section as ''Burlington'' and formerly known as Meridian Oil Inc.), conveys title acceptable to the Secretary of Agriculture (referred to in this section as the ''Secretary'') to rights and interests identified on the map entitled ''Billings County, North Dakota, Consolidated Mineral Exchange—November 1995'', by quitclaim deed acceptable to the Secretary, the Secretary shall convey to Burlington, subject to valid existing rights, by quit-claim deed, all Federal rights and interests identified on that map; and

(2) if Burlington makes the conveyance under paragraph (1) and, not later than 180 days after the date of enactment of this Act,

the owners of the remaining non-oil and gas mineral interests identified on that map convey title acceptable to the Secretary to all rights, title, and interests in the interests held by them, by quitclaim deed acceptable to the Secretary, the Secretary shall convey to those owners, subject to valid existing rights, by exchange deed, all Federal rights, title, and interests in National Forest System lands and National Grasslands in the State of North Dakota as are agreed to by the Secretary and the owners of those interests.

(c) LEASEHOLD INTERESTS.—As a condition precedent to the conveyance of interests by the Secretary to Burlington under this section, all leasehold and contractual interests in the oil and gas interests to be conveyed by Burlington to the United States under this section shall be released, to the satisfaction of the Secretary.

(d) APPROXIMATE EQUAL VALUE OF EXCHANGES WITH OTHER INTEREST OWNERS.—The values of the interests to be exchanged under subsection (b)(2) shall be approximately equal, as determined by the Secretary.

(e) LAND USE.—

(1) EXPLORATION AND DEVELOPMENT.—The Secretary shall grant to Burlington, and its successors and assigns, the use of Federally-owned surface lands to explore for and develop interests conveyed to Burlington under this Act, subject to applicable Federal and State laws.

(2) SURFACE OCCUPANCY AND USE.—Rights to surface occupancy and use that Burlington would have absent the exchange under this Act on its interests conveyed under this Act shall apply to the same extent on the federally owned surface estate overlying oil and gas rights conveyed to Burlington under this Act.

(f) ENVIRONMENTAL PROTECTION FOR ENVIRONMENTALLY SENSITIVE LANDS.—All activities of Burlington, and its successors and assigns, relating to exploration and development on environmentally sensitive National Forest System lands, as described in the ''Memorandum of Understanding Concerning Certain Severed Mineral Estates, Billings County, North Dakota'', executed by the Forest Service and Burlington and dated November 2, 1995, shall be subject to the terms of the memorandum.

(g) MAP.—The map referred to in subsection (b) shall be provided to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives, kept on file in the office of the Chief of the Forest Service, and made available for public inspection in the office of the Forest Supervisor of the Custer National Forest within 45 days after the date of enactment of this Act.

(h) OTHER LAWS.—The exchange under subsection (b)(1) shall be deemed to meet the requirements of all other Federal laws, including all land exchange laws, environmental laws, and cultural laws (such as the National Historic Preservation Act (16 U.S.C. 470 et seq.)), and no further compliance with any other law shall be required in order to implement the exchanges.

(i) CONTINUATION OF MULTIPLE USE.—Nothing in this Act shall limit, restrict, or otherwise affect the application of the principle of multiple use (including outdoor recreation, range, timber, watershed, and fish and wildlife purposes) in any area of the Little Missouri National Grasslands. Federal grazing permits or privileges in areas designated on the map entitled ''Billings County, North Dakota, Consolidated Mineral Exchange—November 1995'' or those lands described in the ''Memorandum of Understanding Concerning Certain Severed Mineral Estates, Billings County, North Dakota'', shall not be curtailed or otherwise limited as a result of the exchange authorized by this Act.

OFFICE OF THE GOVERNOR,
Bismarck, ND, July 25, 1996.

Hon. BYRON L. DORGAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR DORGAN: The State of North Dakota supports the introduction of a bill which would implement a proposed mineral exchange between the United States Forest Service and Meridian Oil, Inc. This effort will advance our ''2020'' program to plan and implement sound management of the Badlands well into the future.

Current land and mineral ownership patterns in the Bullion Butte and Ponderosa Pine areas of the Little Missouri National Grasslands are fragmented, thereby complicating management of surface and mineral resources.

The proposed exchange is an opportunity to consolidate ownership, enhance natural badlands habitat adjacent to the Little Missouri River and facilitate mineral development while reducing conflict by competing activities.

Finally, I have included a summary describing more completely, the intended exchange and its effect.

Sincerely,

EDWARD T. SCHAFER,
Governor.

Enclosure.

LEGISLATION TO EFFECT AN EXCHANGE OF MINERAL RIGHTS IN THE LITTLE MISSOURI NATIONAL GRASSLANDS, BILLINGS, ND

For over a decade, the United States Forest Service (USFS) and Meridian Oil, Inc. (Meridian) have been considering a possible exchange of oil and gas rights in the Bullion Butte and Ponderosa Pine areas of the Little Missouri National Grasslands in North Dakota. The land ownership pattern in those areas is very fragmented, with both federal and privately owned mineral rights and federal surface and private subsurface estates. This lack of unity between the surface and subsurface estates and intermixture of public and private mineral rights have complicated both effective management of surface resource values and efficient extraction of minerals. The USFS views an exchange to consolidate mineral ownerships as an opportunity to protect bighorn sheep and their habitat and the viewshed in the Little Missouri River corridor. Meridian expects an exchange to facilitate exploration for and development of oil and gas by reducing the conflict such activities would have with other sensitive Grasslands resources.

At the urging of Senator Dorgan and Governor Schafer, the USFS and Meridian reached an agreement last year on an exchange of certain federal and private mineral rights and the imposition of certain constraints on Meridian oil and gas activities. The agreement would be implemented by this legislation.

What the legislation does. The legislation would accomplish the following:

Direct the completion of the transfer of Meridian's mineral rights in approximately 9,582 acres to the USFS for federal oil and gas rights in 8,796 acres, all in Billings County, North Dakota, within 45 days of enactment.

Authorize the exchange of any other private mineral rights in the same area for federal mineral rights within 6 months of enactment.

Deem the mineral rights to be transferred in the USFS/Meridian exchange to be of equal value (since the two parties have already negotiated the exchange and are of the informed opinion that the values are equivalent) and require that the other mineral rights to be transferred be of approximately equal value.

Require Meridian, as a condition for the exchange, to secure release of any leasehold or other contractual rights that may have been established on the Meridian oil and gas interests that will be exchanged.

Assure Meridian that it will have access across federal lands to be able, subject to applicable federal and State laws, to explore for and develop oil and gas on the interests it will receive in the exchange and that it will have the same surface occupancy and use rights on the interests it will receive that it now holds on the interests to be surrendered.

Find that the USFS/Meridian exchange meets the requirements of other federal exchange, environmental, and cultural laws that would apply if the exchange were to be processed without Congressional approval and direction.

Assure that no provision of the legislation can be interpreted to limit, restrict, or otherwise affect the application of the principle of multiple use (including such uses as hunting, fishing, grazing and recreation) in the Grasslands.

In addition to facilitating the exchange, the legislation would memorialize a Memorandum of Understanding (MOU) also negotiated and executed by the USFS and Meridian concerning management of certain Meridian oil and gas properties that will remain in Grasslands' areas with high surface resource values. In particular the MOU, adopted by reference in the legislation, obligates Meridian to make its best efforts to locate any oil and gas facilities and installations outside of the 1/4 mile view corridor on either side of the stretch of the Little Missouri River being considered for designation as a Wild and Scenic River and to access certain other property adjacent to an important bighorn sheep lambing area only by directional drilling.

Equally important is what the legislation does not do. It does:

Not increase the amount of surface which the USFS controls. The USFS currently controls the surface on essentially all the land involved in the exchange, and this will not change since only mineral interests will be transferred.

Not decrease the federal land available for oil and gas development. To the contrary, in the exchange the federal government will receive a net gain of almost 800 acres in mineral rights that may be leased for exploration and development by other parties. And, by consolidating federal mineral rights which now are scattered in a checkerboard pattern, access to them should be improved. The extent to which existing and new federal mineral rights are leased to private parties will be decided by the USFS in the ongoing planning and Environmental Impact Statement for the Southern Little Missouri Grasslands. The ''multiple use'' provision of the legislation makes certain the legislation will not affect that decisionmaking process.

Not decrease revenue to the county, state, and federal governments. For the same reason that the exchange would not decrease land available for oil and gas development, the economic interests of taxing entities and the oil and gas industry should not be affected significantly by the exchange. In fact, with Meridian consolidating its mineral holdings in a more manageable and less sensitive unit, area oil and gas activity should increase and produce a net positive economic effect.

Not provide either Meridian or USFS with mineral rights of greater value than those they now hold. The USFS with the assistance of the Bureau of Land Management, has

reached the conclusion that the mineral rights to be exchanged between the USFS and Meridian are of equal value. Some additional value will accrue to both sets of mineral rights transferred by the exchange because of the greater ease of access and management that will result from consolidation. The legislation requires that any other mineral rights exchanged by other parties under the legislation be of approximately equal value.

Not resolve the issue of wilderness designation. Some parties desire wilderness protection for the area. Other parties, including Meridian, oppose wilderness designation, and the USFS has not indicated any intent to establish a wilderness. The legislation would not increase, or decrease, the prospect for wilderness designation since wilderness may be designated whether the mineral rights are privately or publicly owned, the designation can only be accomplished by a separate Act of Congress, and the legislation's ''multiple use'' language makes clear the intent of Congress that the exchange is not intended to affect the wilderness issue.

DAKOTAS RESOURCE
ADVISORY COUNCIL,
Dickinson, ND, September 13, 1996.

Hon. ED SCHAFER,
Governor of North Dakota, State Capitol, Bismarck, ND

DEAR GOVERNOR SCHAFER: The Dakota Resource Advisory Council (RAC), a 12-member body appointed by the Secretary of the Interior, represents users of public lands in North and South Dakota. The RAC provides opportunities for meaningful public participation in land management decisions at the district level and encourages conflict resolution among various interest groups.

At our meeting in Dickinson, North Dakota on September 9, 1996, the RAC reviewed and discussed the Meridian Mineral Exchange that you have been considering. After careful review by our RAC, a resolution was passed indicating our support for legislation to allow the Meridian Mineral Exchange to be completed by the Bureau of Land Management.

Since there is considerable activity in this area, there is a definite urgency to move this legislation in the remaining days of this Congress. The Dakota RAC respectfully requests the introduction and passage of legislation on the Meridian Mineral Exchange.

If we can be of further assistance to your efforts in this regard, we are most willing to help. District Manager, Doug Burger, has more details with respect to the exchange and we have asked him to assist you.

Thank you for considering the recommendations of the Dakota RAC.

Sincerely,

MARC TRIMMER, *Chair,*
Dakota RAC.

DACOTAH CHAPTER OF
THE SIERRA CLUB,
Mandan, ND, September 14, 1995.

Re meridian mineral exchange.

Hon. BYRON DORGAN,
U.S. Senate, Washington, DC.

DEAR SENATOR DORGAN: I am writing to convey the Sierra Club's support for the ''agreement in principle'' for a mineral exchange between Meridian Oil Inc. (MOI) and the Bureau of Land management (BLM) / United States Forest Service (USFS). This agreement follows extensive negotiations between MOI, USFS, BLM, the North Dakota Game and Fish Department (NDGF) and local conservation organizations.

It is my understanding that there are two components to the agreement. Part One involves the actual exchange of the mineral estate. Part Two outlines a Memorandum of Understanding (MOU) between the USFS and MOI to protect the viewshed of the Little Missouri State Scenic River while still allowing MOI to access their minerals. The MOU also addresses a plan to directionally drill an oil well to protect a bighorn sheep lambing area.

I have also contacted the enclosed list of conservation organizations and they have also stated their support for Parts One and Two of the agreement as proposed. I join them in urging you to introduce enabling legislation at the earliest opportunity. Your efforts throughout this process have been very much appreciated. Please contact me if there is anything conservationists can do to facilitate this mineral exchange.

CONSERVATION ORGANIZATIONS IN SUPPORT OF THE MINERAL EXCHANGE

Dacotah Chapter of the Sierra Club.
National Wildlife Federation.
National Audubon Society.
Clean Water Action.
North Dakota Chapter of the Wildlife Society.
Bismarck Mandan Bird Club.
Lewis and Clark Wildlife Club.

MEMORANDUM OF UNDERSTANDING CONCERNING CERTAIN SEVERED MINERAL ESTATES, BILLINGS COUNTY, NORTH DAKOTA

The Memorandum of Understand (MOU) is between Meridian Oil Inc. (Meridian) with offices in Englewood, Colorado and the U.S. Forest Service, Custer National Forest (Forest Service).

The intent of the MOU is to set forth agreement regarding development of certain oil and gas interests beneath Federal surface. This MOU is in addition to, and does not abrogate, any rights the United States otherwise has to regulate activities on the Federal surface estate or any rights Meridian otherwise has to develop the oil and gas interest conveyed.

The provisions of this MOU shall apply to the successors and assigns of Meridian.

The MOU may be amended by written agreement of the parties.

Section A. View Corridor—Little Missouri River

Includes the following land (Subject Lands) in Township 137N., Range 102W.:

Section 3: Lots 6, 7, 9–12, 14–17 (+) River Bottom 54.7 acres

Section 10: Kits 1–4, N½, N½SE¼, SE¼SE¼ (+) River Bottom 7.3 acres

Section 14: Lots 1, 2, 3, 6, 7, NW¼NE¼., NW¼SW¼, S½S½ (+) River Bottom 41.4 acres

Section 24: Lots 1–9, NE¼, S½NW¼, NE¼NW¼ (+) River Bottom 75.84 acres

1. The purpose of this Section is to set forth the agreements that Meridian and the Forest Service have made concerning reasonable protection of the view from the Little Missouri River which has been identified as potentially suitable for classification as a Wild and Scenic River under the Wild and Scenic Rivers Act. This section of the MOU shall remain in effect as long as the Forest Service maintains a corridor for this purpose.

2. The Forest Service has designated a ¼ mile corridor on either side of the River for protection of the view from the River, and this Section applies to the location of permanent improvements within said corridor and not to temporary activities such as seismic operations within said corridor.

3. Meridian agrees to use its best efforts to locate permanent production facilities, well sites, roads and other installations outside the ¼ mile corridor on the Subject Lands. However, such facilities may be located within the ¼ mile corridor if mutually agreed to by the parties in writing.

4. The Forest Service agrees that Meridian may access its minerals within or without the ¼ mile corridor of the subject lands from a well or wells whose surface location is on adjoining lands in which Meridian owns the severed mineral estate.

Section B. Development of T.138N., R102W., Section 12: S½

1. The purpose of this section is to set forth the agreement that Meridian and the Forest Service have made concerning the option to develop the mineral resources in the S½ Section 12 from specified locations in 'Section 13, T.138N., R.102W.

2. If, at any time, Meridian, at its sole discretion, decides that the development potential of the S½ Section 12 justifies additional directional drilling the following options are hereby made available to them by the Forest Service:

A. Directional drilling from an expanded pad on the Duncan MP#1 location in Section 13, T.138N., R.102W. or

B. Directional drilling from a location in Section 13 adjacent to the county road and screened from the bighorn sheep lambing area located in Section 12.

If Meridian elects to develop the S½ Section 12 from one of the specified locations in Section 13, surface disturbing activities related to development and production will only be allowed from June 16 through October 14, annually.

3. This section of the MOU shall remain in effect as long as the S½ of Section 12 is subject to the present, or a future, oil and gas lease.

STEVEN L. REINERT,
Attroney-in-Fact,
Meridian Oil, Inc.
NANCY CURRIDEN,
Forest Supervisor,
Custer National Forest.

By Mr. SHELBY (for himself, Mr. MURKOWSKI, Mr. CRAIG, and Mr. BURNS):

S. 751. A bill to protect and enhance sportsmen's opportunities and conservation of wildlife, and for other purposes; to the Committee on Environment and Public Works.

SPORTSMEN'S BILL OF RIGHTS ACT OF 1997

Mr. SHELBY. Mr President, today, I am pleased to join my colleagues and fellow Congressional Sportsmen's Caucus cochairs Senators BURNS, CRAIG and MURKOWSKI in introducing the Sportsmen' Bill of Rights Act of 1997.

Hunting and fishing are traditions that have been an integral part of our history since the inception of our Nation and are among the most basic of our heritage. Through the ages, sportsmen have shown a deep respect and appreciation for the land and have made a concerted effort to wisely use our Nation's renewable natural resources. All across this country, very successful alliances have been formed between hunting and fishing enthusiasts and conservationists. Both are very concerned about protecting natural habitats, and when working together their force includes some 70 percent of the U.S. population.

Today, millions of Americans participate in these venerable pastimes. Over 60 million Americans enthusiastically participate in fishing activities and 14 million citizens are licensed hunters. These recreational activities are a significant boost to many local and State economies, as well as the Nation. Sportsmen spent more than $67.9 billion last year on goods and services

supporting an industry that employs more than a million people across the country. When discussing the contributions sportsmen have made to our Nation, often overlooked is the fact that sportsmen have carried the burden of financing fish and wildlife management and preservation through the years.

America owes our sportsmen a debt of gratitude for their pioneering achievements on behalf of wildlife and habitat conservation. The Sportsmen's Bill of Rights recognizes the important role fishing and hunting play in our society by providing anglers and hunters with explicit access to public lands; opening the process of wildlife management and protecting the integrity of the sportsmen's trust funds. This bill ensures that hunting and fishing opportunities are considered in Federal land management decisions, and provides a clear procedure for Federal agencies to follow in their management of our Federal public lands.

For too long, sportsmen have been unduly penalized from equitably sharing public land. This bill mandates that Federal agencies analyze the effects of potential hunting and fishing limitations prior to enacting new land use policies. Hunters and anglers should be granted the right to intervene in any civil action where law would limit the use of land for hunting and fishing. The provisions in the sportsmen's bill of rights assure that Federal agencies support, encourage and enhance the opportunities for fishing and hunting.

While this bill promotes access to public lands, it recognizes the need for exceptions and exclusions due to national security concerns, public safety matters, emergency situations and policy reasons that are incompatible with hunting or fishing. This act cannot be used to force the opening of National Parks or monuments administered by the National Park Service to fishing or hunting and this legislation is not intended to place fishing and hunting above other land management priorities. The sportsmen's bill of rights is aimed at setting forth tangible management guidelines.

Additionally, this year marks the 60th anniversary of one of our Nation's most successful Federal restoration programs, the Pittman Robertson Act. P–R, as it is often referred to, is a partnership created by the State fish and wildlife agencies and the funds provided by the anglers and hunters. Sportsman across the land have sponsored, supported and maintained the integrity of P–R throughout the last 60 years. The funds are raised through an excise tax on sportsman's goods and subsequently, placed in a fund to be allocated to the States yearly in accordance with statutory formulas. Today $357 million is raised for wildlife restoration through P–R funds in conjunction with the Dingell-Johnson Act and the Wallop-Breaux Act.

Due to the congenial partnership of our Nation's hunters and anglers with Federal-State agencies, America's wildlife is thriving. For every taxpayer dollar invested in wildlife conservation, sportsmen and women contribute $9 dollars. At the turn of the century, only 41,000 elk were counted across our Nation. While the Nation's population soared and massive development occurred, sportsmen's conservation initiatives have enable the elk population in just 10 western States to increase to approximately 810,000. Similar stories can be applied to numerous species including the white-tailed deer, the Canada goose, and the wild turkey. Hunters and anglers have been and will continue to be the champions of wildlife and habitat conservation. These examples just begin to demonstrate the value of anglers and hunters to our society.

The sportsmen's bill of rights will protect and enhance sportsmen's opportunities and enhance the conservation of wildlife. I urge my colleagues to join me by cosponsoring this important legislation.

By Mr. THURMOND (for himself, Mr. COATS, Mr. HOLLINGS, Mr. HELMS, Mr. FAIRCLOTH, and Mr. HUTCHINSON):

S. 752. A bill to amend title 23, United States Code, to modify the minimum allocation formula under the Federal-aid highway program, and for other purposes; to the Committee on Environment and Public Works.

HIGHWAY TRUST FUND LEGISLATION

Mr. THURMOND. Mr. President, I rise today to introduce legislation to revise the formula by which the highway trust fund is apportioned and distributed to the States under the Federal Aid to Highways Program. This measure is cosponsored by Senators COATS, HOLLINGS, HELMS, FAIRCLOTH, and HUTCHINSON from Arkansas.

The current formula was established in 1956 to support the building of a nationwide, interstate highway system. At that time, it was necessary to redistribute the tax revenues from some States to those with large land areas and low population. As it exists now, the present formula is inefficient and unfair. It is inefficient because it is based upon population statistics that were current in 1980. There is no allowance for population shifts in the future and, as a result, high growth areas of the country are left on their own to provide the infrastructure to support growing populations. It is unfair because the disparity in the rates of return creates a policy that, in effect, values a mile of road in one State three times as much as a similar mile of road in another State.

Mr. President, the interstate highway program has been an enormous success and is now virtually complete. However, the circumstances which gave rise to the present formula have changed and it is now time for a new one. Our legislation corrects both the inefficiency and unfairness of the current formula. It amends the law to provide that the minimum annual allocation to each State from the highway trust fund be equal to that State's share of contributions to the fund. This formula will allocate funds where they are most needed. The General Accounting Office, in a November 1995 study, noted that highway trust fund contributions bear a high correlation to the need for highway funding in a given area. Moreover, under this new formula, as population grows and economic activity increases, additional infrustructure funding will be available.

Mr. President, this bill presents a fair and workable formula for distributing funds under the next highway bill. I urge my colleagues to join us in support of this legislation.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 752

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

SECTION 1. MINIMUM ALLOCATION.

(a) FISCAL YEAR 1998 AND THEREAFTER.—Section 157(a) of title 23, United States Code, is amended by adding at the end the following:

''(5) FISCAL YEAR 1998 AND THEREAFTER.—In fiscal year 1998 and each fiscal year thereafter, on October 1, or as soon as possible thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that a State's percentage of the total apportionments in each fiscal year and allocations for the prior fiscal year from funds made available out of the Highway Trust Fund is not less than 100 percent of the percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund in the latest fiscal year for which data are available.''.

(b) CONFORMING AMENDMENT.—Section 157(a)(4) of title 23, United States Code, is amended by striking the paragraph designation and all that follows before ''on October 1'' and inserting the following:

''(4) FISCAL YEARS 1992–1997.—In each of fiscal years 1992 through 1997,''.

Mr. HOLLINGS. Mr. President, today I am proud to join Senator THURMOND in introducing legislation to bring fairness to Federal transportation funding. This legislation would guarantee that the Federal Government would return to each State the same share of gas tax funds that it had paid into the transportation trust fund.

In 1991, I voted against the current transportation law, known as ''ISTEA.'' Supporters advocated the legislation as a forward-looking consolidation of Federal highway programs, but the heart of the bill—the way it distributed money—looked backward in every sense. It tightly tied each State's future funding to past funding levels. It used old census data. It used old formula factors which do not even pass the ''straight face'' test. As the GAO reported, ''the Congress elected not to change the basic formula structure'' and thus the key factors in

the formula are ''irrelevant'' and ''divorced from current conditions.'' In other words, we are currently targeting more than $20 billion of taxpayer funds to the wrong places for the wrong reasons.

South Carolina bears the brunt of this inequity. In 1995, South Carolina received only 52 cents back for each dollar it paid to the highway trust fund. Over the period of ISTEA, South Carolina received only 70 cents back on the dollar. Let me add that I am not unaware of the overall Federal funding situation in South Carolina. South Carolina gets back more Federal tax money than its citizens contribute. Mr. President, that is as it should be. We are one Nation, and some parts of the Nation have lower average incomes. That is no excuse for targeting highway funds in a way that an objective study found to be ''irrelevant'' and ''divorced from current conditions.''

It is rare that a $20 billion problem has a simple solution. I refer again to the independent assessment of the GAO, which said that basing Federal payments to States on the amounts States paid in would, would meet two major, commonsense objectives of any highway program:

First, it would be a ''relatively simple and direct method of fund distribution.''

Second, it would ''tend to correlate highly with highway needs, particularly for major highways.''

Furthermore, the GAO found that basing funding on gas tax paid in would effectively kill two birds with one stone by accounting for highway needs and for equity between States with one formula factor.

Mr. President, a program that does not target funds to today's needs, and which mires States and the Congress in arcane complexity, cries out for revision. The legislation we introduce here today is a good starting point to better address our Nation's highway needs. I urge my colleagues to join us in supporting this bill.

By Mr. MACK (for himself, Mr. LIEBERMAN, and Mr. BROWNBACK):

S. 753. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

THE DISTRICT OF COLUMBIA ECONOMIC RECOVERY ACT

Mr. MACK. Mr. President, I am pleased to introduce along with my colleague Senator LIEBERMAN the District of Columbia Economic Recovery Act. The social, administrative, and fiscal problems of our Nation's capital are well documented. The District of Columbia is facing its greatest economic crisis since its establishment in 1790. Congress has taken major steps, including the creation of a financial control board, to assist the city during this current financial crisis. Despite efforts by the District's Government and Congress to manage these problems, the city has a long way to go to achieve economic self-sufficiency.

Mr. President, at the root of the District's problems is an evereroding middle class. Since 1950, Washington's population has declined by nearly 250,000 residents; 68,000 left between 1988 and 1993 alone. The vast majority of these people were middle-class families whose taxes funded the city's operations. Historically, the District of Columbia has tried to offset this decline by raising taxes, leading to even more residents leaving the city in search of lower tax rates, better schools and safer streets.

We believe that the best way to help the District is to promote economic growth, and the best way to promote economic growth is to significantly reduce the tax burden on its residents. Economic growth will mean more jobs, more opportunity, greater private sector investment and ultimately a better quality of life in the Nation's capital.

The DCERA is an important step in luring taxpayers back to the District of Columbia. It provides tax incentives, including a 15-percent flat income tax rate for all District resident and deductions of: $15,000 for individual filers; $25,000 for head of household filers; and $30,000 for married filers.

Many critics of the flat rate argue that it is a bonanza for the rich and the poor, but does little to address the needs of the middle class. We have added several incentives designed specifically to assist the middle class. First, the bill includes a $5,000 first time home buyers' provision designed to assist middle-class families in purchasing homes within the District of Columbia. Second, the bill maintains the current home mortgage and charitable deductions. Finally, we have included a zero capital gains tax rate to help spur investment by District and non-District residents. Middle class residents should benefit significantly from this provision because it encourages them to invest their earnings and it offers a generous reward if and when a middle-class resident sells their homes. Besides these incentives we have included a brownfields provision that encourages companies to clean up environmentally damaged land that is sure to improve the quality of life for District residents and their families.

This bill also provides an opportunity for all Americans to participate in the economic stability of the District of Columbia by allowing them to have a zero capital gains rate for investments made within the District. We believe that Americans everywhere have great pride in this city and truly want it to represent all the best aspects of this Nation, including a vibrant economy. For too long the city's economy has been linked with the growth and declines of the Federal Government. I believe that the capital gains provisions will encourage nongovernmental economic investment in the District of Columbia.

Washington, DC is not only home to the people who live here, it is truly the Nation's city.

We believe that these incentives, along with responsible and sensible financial management, are just what this great city needs to regain its past glory.

Mr. LIEBERMAN. Mr. President, I am delighted to join with Senators MACK, LOTT, and BROWNBACK as an original cosponsor of this important legislation, the District of Columbia Economic Recovery Act of 1997 (DCERA).

The District of Columbia belongs to each and every one of us. As citizens of the United States, we have a stake in the successes, and a stake in the failures, of Washington, DC. It is America's city. But, for a variety of reasons, not all of them easily explained, Washington is in desperate financial straits. The here and now financial prospects are grim for the city, and the future gets grimmer. This is largely because middle-class families, the backbone of any successful community, are fleeing the District in alarming numbers.

The legislation we are introducing today would instantly transform our Nation's capital, making it a more appealing place to live, to invest, to build, to buy, and to work. This bill is designed to reverse the flow of businesses and the middle-class residents who currently are fleeing the city for the suburbs. Those still in the District would have new incentives to stay. And many others now living elsewhere would have a very strong incentive to move into the District with their families and with their businesses.

We cannot make the schools better in the District overnight. We cannot promise crime-free streets overnight. We cannot promise a revitalized economy overnight. What we can do is provide middle-class tax relief in the District, and as a way to lure these middle-class taxpayers to the District as a way to reestablish a tax base in the District. And once we bring these people back, safer streets and better schools can follow.

This legislation is modeled on legislation that has been introduced in the House with broad, bipartisan support, by Representative ELEANOR HOLMES NORTON. Both the House and the Senate version of the DCERA establish a maximum Federal tax rate of 15 percent. Both bills double the personal exemption, which would eliminate Federal income taxes for single residents who make up to $15,000 a year and married couples filing jointly who make up to $30,000 a year. At the same time, the bill retains the mortgage and charitable deductions and would allow a taxpayer to file under the old system, if that is what they prefer to do. In contrast to Representative NORTON's bill, which provides capital gains tax relief only to D.C. residents, our legislation

establishes a zero capital gains rate for D.C. investments held by D.C. or non-D.C. residents for 3 years. We believe that the broader exemption is necessary to spur as much investment in the District as possible. Also in contrast to the House DCERA, our bill includes a $5,000 credit for first time District home purchases and includes a provision to clean up abandoned brownfields within the District. Members of Congress not representing the District could not take advantage of the tax incentives in the bill, and the District already has enacted legislation ensuring that it would not take advantage of the Federal tax incentives in this bill by raising local taxes.

I very much see this bill as a first step. Some of the urban problems Washington faces are unique to Washington because Washington has no State, no broader tax base, to draw on. At the same time, many of Washington's problems are problems that are faced by cities all across this country. If this approach works in Washington, I hope we can try it in Bridgeport, New Haven, and Hartford as well.

I should note that, unlike some proponents of this legislation, I am at best an agnostic on a flat tax. I believe progressivity in our tax rates is inherently fair and am pleased that the legislation we are introducing today has elements of that progressivity by providing such a generous personal exemption. At the same time, a good number of our cities are facing the loss of their middle-class population and the only way to rebuild that base may be through bold measures like a flat tax which has clear and compelling benefits for the middle class. The people we are really anxious to bring back to our cities are the 28 percenters. Under the current Tax Code a typical family in the 28-percent bracket would be a couple with two children who make roughly between $39,000 and $95,000 after deductions. Our bill would create a very favorable tax incentive for these people to stay in, or move to, the District.

Mr. President, the most important thing there is to say about urban policy in this country is that we really do not have an urban policy. We know what has not worked; today we are introducing legislation that we believe will work and there is no better place to start than in Washington, DC, a city that belongs to all Americans. I urge my colleagues to join us in cosponsoring this important legislation.

Mr. BROWNBACK. Mr. President, I am pleased to join with my distinguished colleagues today to introduce the District of Columbia Economic Recovery Act, a bill which would jumpstart the District's economy and set in motion a commercial, social, and cultural renaissance that will once again make all Americans proud of their Capital.

I am delighted to find that the District's City Council shares my belief that the enactment of this legislation will be very good for the city. On May 9, 1997, in a resolution to accompany its qualified endorsement of the administration's bailout plan, the Council stated that ''. . . the District of Columbia Economic Recovery Act . . . would provide the jolt that is desperately needed to expand the District's revenue base by reversing the hemorrhaging of residents and jobs from the District.''

Although this legislation represents a good start toward the resolution of the city's problems, much more needs to be done. As chairman of the Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, I have just concluded 2 months of oversight hearings on the District's many problems, including the poor performance of the schools, the high crime rate, and the city's reputation for low quality services. While each of these problems are being addressed in some fashion by the Control Board, they are far from being solved, and the city remains desperately in need of a renewal of its spirit.

In the coming weeks I will be exploring with my colleagues, with city officials, and with the administration a series of additional reform options that will help lead to this renewal, and to the recreation of a Capital City worthy of a great Nation.

By Mr. CAMPBELL (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 754. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide for direct assistance to Indian tribes for juvenile justice and delinquency prevention programs, and for other purposes; to the Committee on Indian Affairs.

THE INDIAN JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Mr. CAMPBELL. Mr. President, today I, along with Senators INOUYE and DOMENICI, introduce legislation which will reform the existing Native American Pass-Through Program administered by the Office of Juvenile Justice and Delinquency Prevention [OJJDP], within the Department of Justice, and will create a grant program that will provide direct funding to eligible tribes for the purpose of addressing juvenile justice needs in Indian country.

Juvenile delinquency is an enormous problem faced by both State and tribal governments. A February 1997 report, issued by OJJDP, indicated that law enforcement agencies around the country made an estimated 2.7 million arrests in 1995 of persons under age 18. This accounted for 18 percent of all arrests made during that year. OJJDP also reported that while the total number of juvenile arrests for violent crimes decreased in 1995, the total number of arrests is considerably higher than they were in 1992 and 67 percent higher than the 1986 level.

Unfortunately, there are no complete and accurate sets of statistics available on the rate of juvenile delinquency among the American Indian and Alaskan Native population as a whole. In spite of this, I think it is fair and accurate to say that the threat of an increased rate of juvenile delinquency is great in Indian country due to the large and growing population of Indian youth under the age of 18.

In fact, in a hearing conducted by the Senate Committee on Indian Affairs on April 8, a representative of the Department of Justice stated that ''while violent crime is falling in American cities, it is rising on American Indian reservations.'' Despite this, there are still about half as many police officers in Indian country on a per capita basis.

Currently, tribal governments which perform law enforcement functions are eligible to receive grants through the Native American Pass-Through Program, established through the 1988 amendments to the Juvenile Justice and Delinquency Prevention Act of 1974. Under this program, States must make available to tribes a minimum amount of funding based, in part, upon the ratio of the number of Indian juveniles within a State's boundaries compared to the total number of juveniles within that State. This funding may go toward a variety of juvenile delinquency prevention, control, or reduction efforts.

Based upon the comments of representatives of tribal governments, State advisory groups, the National Coalition for Juvenile Justice, and State governments, it has become clear to me that the Pass-Through Program is simply not meeting the needs of tribes. First, the minimum amount of funding each State must make available to tribes is, on average, so minimal that it fails to appropriately address the needs of the tribes. While many States do award grants in excess of the requirement, the amounts tribes receive are often too small to initiate a program of any magnitude. In addition, many tribes do not even apply for these grants, because the cost of preparing a grant application would exceed the amount of funds awarded. More importantly, the Pass-Through Program exists in conflict with the Federal-tribal government-to-government relationship, by requiring tribal governments to depend upon the States. If a State chooses not to participate in the program or does not meet certain requirements, tribes located within that State's boundaries will not receive funds under the act. Because of these and other concerns raised by tribes and juvenile justice officials, I am introducing the Indian Juvenile Justice and Delinquency Prevention Improvement Act. This proposal seeks to eliminate the Native American Pass-Through Program and replace it with a discretionary grant program that will provide direct Federal grants to Indian tribes. Consistent with the Pass-Through Program, these funds will be used to plan and develop programs to prevent and reduce juvenile crime as well as to improve the tribal government's juvenile justice system.

More specifically, this legislation will require tribes to submit program plans as part of their grant application to the Administrator of OJJDP. Tribes must comply with certain core requirements in order to demonstrate an ability to administer and account for the quality of the juvenile justice programs. Finally, this legislation includes a reporting requirement similar to the one mandated in the Indian Self-Determination Act.

On the administrative side, the legislation directs OJJDP to take into account certain important factors when awarding grants such as a tribe's available resources and the population of Indian youth who reside within the tribe's jurisdiction. It is also important to note that this legislation in no way prevents tribes from entering into cooperative agreements with States or units of local government. Tribes are still able to enter into these agreements and apply for State funding should they desire to do so.

The prevention, control, and reduction of juvenile delinquency should be one of the top priorities of this Nation. With this legislation, we have the opportunity to provide a better mechanism to deliver funds to tribes for the purpose of addressing juvenile justice needs, a much better mechanism than we currently have.

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. 754

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 ''Indian Juvenile Justice and Delinquency Prevention Improvement Act''.

SEC. 2. AMENDMENTS TO THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974.

(a) DEFINITIONS.—Section 103 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603) is amended—

(1) in paragraph (8), by striking ''an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior,'';

(2) in paragraph (9)—

(A) by striking ''States or units of general local government'' and inserting ''States, units of general local government, or Indian tribes''; and

(B) by striking ''States or units'' and inserting ''States, units, or Indian tribes'';

(3) in paragraph (11), by striking ''any State, unit of local government, combination of such States or units'' and inserting ''any State, unit of general local government, Indian tribe, combination of 1 or more States, units of general local government, or Indian tribes'';

(4) by striking paragraph (18) and inserting the following:

''(18) the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;''; and

(5) in paragraph (22), by inserting ''Indian tribe,'' after ''unit of local government,''.

(b) TECHNICAL AMENDMENT.—Part B of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended by striking the heading and inserting the following:

''PART B—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS AND PROGRAMS FOR INDIAN TRIBES

''Subpart I—Federal Assistance for State and Local Programs''.

(c) ELIMINATION OF PASS-THROUGH FOR INDIAN TRIBES.—Section 223(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)) is amended—

(1) in paragraph (4), by inserting ''and Indian tribes'' after ''units of general local government'';

(2) in paragraph (5)—

(A) in subparagraph (A), by striking the semicolon at the end and inserting '', except that with respect to any cooperative program conducted with an Indian tribe, the participation of the Indian tribe shall be funded from the amounts made available under subpart II of this part; and'';

(B) in subparagraph (B), by striking ''and'' at the end; and

(C) by striking subparagraph (C);

(3) in paragraph (6)—

(A) by inserting ''(A)'' before ''provide that'';

(B) by striking ''programs funded under this part'' and inserting ''programs funded under this subpart'';

(C) by striking the semicolon at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(B) with respect to any case in which an Indian tribe participates in a cooperative program under paragraph (5)(A), provide that the appropriate official of the governing body of an Indian tribe assign responsibility for the preparation and administration of the Indian tribe's part of the applicable State plan, or for the supervision of the preparation and administration of the Indian tribe's part of the State plan;'';

(4) in paragraph (24), by striking ''and'' at the end;

(5) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(6) by adding at the end the following:

''(26) provide assurance that, in carrying out the plan under this section, the State will take appropriate action to improve—

''(A) communication between the State and units of general local government and Indian tribes;

''(B) cooperation between the State and units of general local government and Indian tribes; and

''(C) intergovernmental relationships between the State and units of general local government and Indian tribes; and

''(27) provide, as appropriate, a description and analysis of any disproportionate representation in the juvenile justice system of Native Americans (as that term is defined in section 16(10) of the National Museum of the American Indian Act (20 U.S.C. 80q–14(10))) including, if appropriate, any disproportionate representation of Alaska Natives (within the meaning of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) from—

''(A) urban populations; and

''(B) populations that are not, as of the date of development of the plan, recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.''.

(d) FEDERAL ASSISTANCE FOR PROGRAMS FOR INDIAN TRIBES.—Part B of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended by adding at the end the following:

''Subpart II—Federal Assistance for Programs for Indian Tribes

''SEC. 221. ESTABLISHMENT OF PROGRAM.

''(a) IN GENERAL.—The Administrator shall, by regulation, establish a program to provide direct grants to Indian tribes in accordance with this section. Each grant made under this section to an Indian tribe shall be used by the governing body of the Indian tribe—

''(1) for planning, establishing, operating, coordinating, and evaluating projects for achieving compliance with the requirements specified in paragraphs (12)(A), (13), and (14) of section 223, and otherwise meeting any applicable requirements of this Act; and

''(2) for otherwise conducting activities to promote the improvement of the juvenile justice system of that Indian tribe.

''(b) PLANS.—As part of an application for a grant under this section, an Indian tribe shall submit a plan for conducting activities described in subsection (a). The plan shall—

''(1) provide evidence that the Indian tribe performs law enforcement functions (as determined by the Secretary of the Interior);

''(2) identify the juvenile justice and delinquency problems and juvenile delinquency prevention needs to be addressed by activities conducted by the Indian tribe in the area under the jurisdiction of the Indian tribe with assistance provided by the grant;

''(3) provide for fiscal control and accounting procedures that—

''(A) are necessary to ensure the prudent use, proper disbursement, and accounting of funds received under this subchapter; and

''(B) are consistent with the requirements of section 232; and

''(4) contain such other information, and be subject to such additional requirements, as the Administrator may reasonably prescribe to ensure the effectiveness of the grant program under this subpart.

''(c) FACTORS FOR CONSIDERATION.—In awarding grants under this section, the Administrator shall consider—

''(1) the resources that are available to each applicant that will assist, and be coordinated with, the overall juvenile justice system of the Indian tribe; and

''(2) for each Indian tribe that receives assistance under such a grant—

''(A) the relative population of individuals under the age of 18; and

''(B) who will be served by the assistance provided by the grant.

''(d) GRANT AWARDS.—

''(1) IN GENERAL.—

''(A) COMPETITIVE AWARDS.—Except as provided in paragraph (2), the Administrator shall annually award grants under this section on a competitive basis. The Administrator shall enter into a grant agreement with each grant recipient under this section that specifies the terms and conditions of the grant.

''(B) PERIOD OF GRANT.—The period of a grant awarded under this section shall be 1 year.

''(2) EXCEPTION.—In any case in which the Administrator determines that a grant recipient under this section has performed satisfactorily during the preceding year in accordance with an applicable grant agreement, the Administrator may—

''(A) waive the requirement that the recipient be subject to the competitive award process described in paragraph (1); and

''(B) renew the grant for an additional grant period (as specified in paragraph (1)(B)).

''(3) MODIFICATIONS OF PROCESSES.—The Administrator may prescribe requirements to

provide for appropriate modifications to the plan preparation and application process specified in this section for an application for a renewal grant under this subsection.

''SEC. 232. REPORTING REQUIREMENT.

''Each Indian tribe that receives a grant under section 231 is subject to the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

''SEC. 233. TECHNICAL ASSISTANCE.

''The Administrator shall establish a program to provide technical assistance to assist Indian tribes in carrying out the activities described in section 231(a).

''SEC. 234. COORDINATION WITH STATE ADVISORY GROUPS.

''In carrying out the programs under this subpart, the Administrator shall, not later than 180 days after the end of the fiscal year during which the Indian Juvenile Justice and Delinquency Prevention Improvement Act is enacted, and annually thereafter, issue a report to each advisory group established under a State plan under section 223(a)(3) that includes information relating to each grant awarded under section 231, including the amount of the grant.

''SEC. 235. RULE OF CONSTRUCTION.

''Nothing in this subpart may be construed to affect in any manner the jurisdiction of an Indian tribe with respect to land or persons in Alaska.

''SEC. 236. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Justice to carry out this subpart, $10,000,000 for each of fiscal years 1998 through 2001.''.

By Mr. CAMPBELL (for himself and Mr. FORD):

S. 755. A bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons) as in effect before the amendments made by the National Defense Authorization Act for fiscal year 1997 and to make other improvements to that chapter; to the Committee on Armed Services.

THE MISSING PERSONS AUTHORITIES IMPROVEMENT ACT

Mr. CAMPBELL. Mr. President, with the approach of Memorial Day, we are reminded of the millions of American men and women who have dedicated and sacrificed their lives in service to the U.S. Armed Forces. And for far too many, it is a day to remember those service members who have yet to return home from the wars they valiantly fought many years ago.

During the last Congress, we passed the Missing Service Personnel Act. Specifically, this bill created a framework of accountability within the Department of Defense to establish the status and location of our missing Armed Forces personnel. Until this legislation was introduced in 1995, the procedures for handling missing service personnel had remained unchanged for more than 50 years. This legislation improved procedures for reviewing POW/MIA cases and protected the missing service member from being declared dead solely based on the passage of time. Gathering 47 cosponsors in the Senate and achieving unanimous passage in the House, the bill became law in February 1996. However, an amendment to the 1997 Defense Authorization Conference Report repealed its strongest provisions.

Today, I am introducing The Missing Persons Authorities Improvement Act of 1997 in an effort to restore not only those lost provisions but to also offer a sense of accountability for our missing service personnel and their loved ones. A companion bill has already been introduced in the House of Representatives by Congressman BEN GILMAN of New York.

One major provision to be restored requires that military unit commanders report and initiate a search within 48 hours from the time a person has been deemed missing. Right now, a soldier can be missing for up to ten days before a report and search must be made.

Another restored provision protects civilian defense employees and contractors who become missing as a result of hostile action. These civilians who serve with, or accompany the Armed Forces in the field under orders and place their lives in danger, should be entitled to the same protection that is given to uniformed soldiers.

This bill also includes a provision which requires that if remains are recovered and are not identifiable through visual means, certification must be made by a forensic scientist that the remains recovered are, in fact, the missing person. In the past, hasty and speculative conclusions have often lead to misidentification and ultimately, undue emotional hardship for MIA families. It is our obligation to take full advantage of our current technological capabilities and provide the families of missing service personnel with certain, respectful closure in every case possible.

As a veteran who served in Korea, I am especially proud to also include an additional provision that calls for the establishment of personnel files for Korean conflict cases. Under this provision, if any new information is discovered that indicates that the soldier may not have been killed during the Korean War, a new case must be opened or an existing one must be reviewed. There are currently some 8,000 of my Korean war colleagues who have never been accounted for. The recent efforts by the many families of Korean War MIA's to learn the fate of their loved ones only reinforce the necessity for this provision. These families deserve our respect and attention.

This legislation is supported by numerous veterans' service organizations such as the American Legion, the Disabled American Veterans, the Korean and Cold War Families Association, and the National League of POW/MIA Families.

This bill asks the Department of Defense only to make the best possible effort to recover and return our missing personnel. It is the least we owe our soldiers, past and present, who endanger their lives in defense of our country. It is the very least we owe the families who have and will endure the pain and uncertainty of a loved one left unaccounted for at a time of war.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD. I also ask unanimous consent that Senator FORD be included as an original cosponsor to this legislation.

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

S. 755

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 ''Missing Persons Authorities Improvement Act of 1997''.

SEC. 2. IMPROVEMENT OF MISSING PERSONS AUTHORITIES APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) APPLICABILITY TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following:

''(c) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

''(1) Any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

''(2)(A) Any other person who is a citizen of the United States and is described in subparagraph (B) who serves with or accompanies the armed forces in the field under orders and becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

''(B) A person described in this subparagraph is any of the following:

''(i) A civilian officer or employee of the Department of Defense.

''(ii) An employee of a contractor of the Department of Defense.

''(iii) An employee of a United States firm licensed by the United States under section 38 of the Arms Export Control Act (22 U.S.C. 2778) to perform duties under contract with a foreign government involving military training of the military forces of that government in accordance with policies of the Department of Defense.''; and

(B) by adding at the end the following new subsection:

''(f) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned' includes—

''(1) in the case of a person covered by clause (i) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense employing the employee;

''(2) in the case of a person covered by clause (ii) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense contracting with the contractor; and

''(3) in the case of a person covered by clause (iii) of subsection (c)(2)(B), the Secretary of Defense.''.

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out ''one military officer'' and inserting in lieu thereof ''one individual described in paragraph (2)'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(C) by inserting after paragraph (1) the following new paragraph (2):

''(2) An individual referred to in paragraph (1) is the following:

''(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

''(B) A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.''.

(3) Section 1504(d) of such title is amended—

(A) in paragraph (1), by striking out ''who are'' and all that follows in that paragraph and inserting in lieu thereof ''as follows:

''(A) In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.

''(B) In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense (and no members of the armed forces), the board shall be composed of—

''(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

''(ii) such members of the armed forces as the Secretary considers advisable.

''(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

''(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

''(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry.''; and

(B) in paragraph (4), by striking out ''section 1503(c)(3)'' and inserting in lieu thereof ''section 1503(c)(4)''.

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

''(1) The term 'missing person' means—

''(A) a member of the armed forces on active duty who is in a missing status; or

''(B) a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves with or accompanies the armed forces in the field under orders and who is in a missing status.

Such term includes an unaccounted for person described in section 1509(b) of this title, under the circumstances specified in the last sentence of section 1509(a) of this title.''.

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of such title is amended—

(A) in subsection (a)(2)—

(i) by striking out ''10 days'' and inserting in lieu thereof ''48 hours''; and

(ii) by striking out ''Secretary concerned'' and inserting in lieu thereof ''theater component commander with jurisdiction over the missing person'';

(B) in subsection (a), as amended by subparagraph (A)—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(ii) by inserting ''(1)'' after ''COMMANDER.—''; and

(iii) by adding at the end the following new paragraph:

''(2) However, if the commander determines that operational conditions resulting from hostile action or combat constitute an emergency that prevents timely reporting under paragraph (1)(B), the initial report should be made as soon as possible, but in no case later than ten days after the date on which the commander receives such information under paragraph (1).'';

(C) by redesignating subsection (b) as subsection (c);

(D) by inserting after subsection (a), as amended by subparagraphs (A) and (B), the following new subsection (b):

''(b) TRANSMISSION THROUGH THEATER COMPONENT COMMANDER.—Upon reviewing a report under subsection (a) recommending that a person be placed in a missing status, the theater component commander shall ensure that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person. Not later than 14 days after receiving the report, the theater component commander shall forward the report to the Secretary of Defense or the Secretary concerned in accordance with procedures prescribed under section 1501(b) of this title. The theater component commander shall include with such report a certification that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person.''; and

(E) in subsection (c), as redesignated by subparagraph (C), by adding at the end the following new sentence: ''The theater component commander through whom the report with respect to the missing person is transmitted under subsection (b) shall ensure that all pertinent information relating to the whereabouts and status of the missing person that results from the preliminary assessment or from actions taken to locate the person is properly safeguarded to avoid loss, damage, or modification.''.

(2) Section 1503(a) of such title is amended by striking out ''section 1502(a)'' and inserting in lieu thereof ''section 1502(b)''.

(3) Section 1504 of such title is amended by striking out ''section 1502(a)(2)'' in subsections (a), (b), and (e)(1) and inserting in lieu thereof ''section 1502(a)''.

(4) Section 1513 of such title is amended by adding at the end the following new paragraph:

''(8) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.''.

(c) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of such title is amended to read as follows:

''(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) In the case of a missing person who was last known to be alive or who was last suspected of being alive, the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

''(A) on or about three years after the date of the initial report of the disappearance of the person under section 1502(a) of this title; and

''(B) not later than every three years thereafter.

''(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a missing person under this subsection upon receipt of information that could result in a change of status of the missing person. When the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

''(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

''(A) more than 30 years after the initial report of the disappearance of the missing person required by section 1502(a) of this title; or

''(B) if, before the end of such 30-year period, the missing person is accounted for.''.

(d) PENALTIES FOR WRONGFUL WITHHOLDING OF INFORMATION.—Section 1506 of such title is amended by adding at the end the following new subsection:

''(f) WRONGFUL WITHHOLDING.—Any person who (except as provided in subsections (a) through (d)) willfully withholds, or directs the withholding of, any information relating to the disappearance or whereabouts and status of a missing person from the personnel file of that missing person, knowing that such information is required to be placed in the personnel file of the missing person, shall be fined as provided in title 18 or imprisoned not more than one year, or both.''.

(e) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of such title is amended by adding at the end the following new paragraphs:

''(3) A description of the location of the body, if recovered.

''(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.''.

(f) MISSING PERSON'S COUNSEL.—(1) Sections 1503(f)(1) and 1504(f)(1) of such title are amended by adding at the end the following: ''The identity of counsel appointed under this paragraph for a missing person shall be made known to the missing person's primary next of kin and any other previously designated person of the person.''.

(2) Section 1503(f)(4) of such title is amended by adding at the end the following: ''The primary next of kin of a missing person and any other previously designated person of the missing person shall have the right to submit information to the missing person's counsel relative to the disappearance or status of the missing person.''.

(3) Section 1505(c)(1) is amended by adding at the end the following: ''The Secretary concerned shall appoint counsel to represent any such missing person to whom such information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.''.

(g) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of such title is amended by striking out subsection (a) and inserting in lieu thereof the following:

''(a) REVIEW OF STATUS.—(1) If new information is found or received that may be related to one or more unaccounted for persons described in subsection (b) (whether or not such information specifically relates (or may specifically relate) to any particular such unaccounted for person), that information shall be provided to the Secretary of Defense. Upon receipt of such information, the Secretary shall ensure that the information is treated under paragraphs (2) and (3) of section 1505(c) of this title and under section 1505(d) of this title in the same manner as information received under paragraph (1) of section 1505(c) of this title. For purposes of the applicability of other provisions of this chapter in such a case, each such unaccounted for person to whom the new information may be related shall be considered to be a missing person.

''(2) The Secretary concerned shall appoint counsel to represent each such unaccounted

for person to whom the new information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.

''(3) For purposes of this subsection, new information is information that—

''(A) is found or received after the date of the enactment of the Missing Persons Improvement Act of 1997 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

''(B) is identified after the date of the enactment of the Missing Persons Improvement Act of 1997 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).''.

(2) Such section is further amended by adding at the end the following new subsection:

''(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1). Each such file shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.''.

(h) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting ''(1)'' before ''The Secretary'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following:

''(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to family members of missing persons.''.

(i) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by striking out ''non-derogatory'' both places it appears in the first sentence;

(B) by inserting ''or about unnamed missing persons'' in the first sentence after ''the debriefing report'';

(C) by striking out ''the missing person'' in the second sentence and inserting in lieu thereof ''each missing person named in the debriefing report''; and

(D) by adding at the end the following new sentence: ''Any information contained in the extract of the debriefing report that pertains to unnamed missing persons shall be made reasonably accessible to family members of missing persons.''; and

(2) in paragraph (3)—

(A) by inserting '', or part of a debriefing report,'' after ''a debriefing report''; and

(B) by adding at the end the following new sentence: ''Whenever the Secretary withholds a debriefing report, or part of a debriefing report, containing information on unnamed missing persons from accessibility to families of missing persons under this section, the Secretary shall ensure that notice that the withheld debriefing report exists is made reasonably accessible to family members of missing persons.''.

By Mr. KERRY (for himself, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. KENNEDY, Mr. HOLLINGS, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, and Mr. HARKIN):

S. 756. A bill to provide for the health, education, and welfare of children under 6 years of age; to the Committee on Labor and Human Resources.

THE EARLY CHILDHOOD DEVELOPMENT ACT

Mr. KERRY. Mr. President, no issue is more important in America than focusing on the urgent needs of young children. This country must rededicate itself to investing in children, an investment which will have tremendous returns. Early intervention can have a powerful effect on reducing government welfare, health, criminal justice, and education expenditures in the long run. By taking steps now we can significantly reduce later destructive behavior such as school dropout, drug use, and criminal acts. A study of the High/Scope Foundation's Perry Preschool found that at-risk toddlers who received preschooling and a weekly home visit reduced the risk that these children would grow up to become chronic lawbreakers by a startling 80 percent. The Syracuse University family development study showed that providing quality early childhood programs to families until children reached age 5 reduces the children's risk of delinquency 10 years later by 90 percent. It's no wonder that a recent survey of police chiefs found that 9 out of 10 said that America could sharply reduce crime if government invested more in these early intervention programs.

These programs are successful because children's experiences during their early years of life lay the foundation for their future development. Our failure to provide young children what they need during this period has long-term consequences and costs for America. Recent scientific evidence conclusively demonstrates that enhancing children's physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and our Nation. The electrical activity of brain cells actually changes the physical structure of the brain itself. Without a stimulating environment, the baby's brain suffers. At birth, a baby's brain contains 100 billion neurons, roughly as many nerve cells as there are stars in the Milky Way. But the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains 20 to 30 percent smaller than normal for their age.

Mr. President, reversing these problems later in life is far more difficult and costly. I want to discuss several examples.

First, poverty seriously impairs young children's language development, math skills, IQ scores, and their later school completion. Poor young children also are at heightened risk of infant mortality, anemia, and stunted growth. Of the 12 million children under the age of 3 in the United States today, 3 million—25 percent—live in poverty.

Second, three out of five mothers with children younger than 3 work, but one study found that 40 percent of the facilities at child care centers serving infants provided care of such poor quality as to actually jeopardize children's health, safety, or development.

Third, in more than half of the States, one out of every four children between 19 months and 3 years of age is not fully immunized against common childhood diseases. Children who are not immunized are more likely to contact preventable diseases, which can cause long-term harm.

And fourth, children younger than 3 make up 27 percent of the 1 million children who are determined to be abused or neglected each year. Of the 1,200 children who died from abuse and neglect in 1995, 85 percent were younger than 5 and 45 percent were younger than 1.

Unfortunately, Mr. President, our Government expenditure patterns are inverse to the most important early development period for human beings. Although we know that early investment can dramatically reduce later remedial and social costs, currently our Nation spends more than $35 billion over 5 years on Federal programs for at-risk or delinquent youth and child welfare programs.

Today we seek to change our priorities and put children first. I am introducing the Early Childhood Development Act of 1997 to help empower local communities to provide essential interventions in the lives of our youngest at-risk children and their families. I am delighted that Senators ROCKEFELLER, MURRAY, KENNEDY, HOLLINGS, WELLSTONE, MOSELEY-BRAUN, and HARKIN are joining me as cosponsors of this bill.

This legislation seeks to provide support to families by minimizing Government bureaucracy and maximizing local initiatives. We would provide additional funding to communities to expand the thousands of successful efforts for at-risk children ages zero to six such as those sponsored by the United Way, Boys and Girls Clubs, and other less well-known grassroots organizations, as well as State initiatives such as Success By Six in Massachusetts and Vermont, the Parents as Teachers Program in Missouri, Healthy Families in Indiana, and the Early Childhood Initiative in Pittsburgh, PA. All are short on resources. And nowhere do we adequately meet demand although we know that many States and local communities deliver efficient, cost-effective, and necessary services. Extending the reach of these successful programs to millions of children currently underserved will increase our national well-being and ultimately save billions of dollars.

The second part of this bill would provide funding to States to help them provide a subsidy to all working poor families to purchase quality child care for infants, toddlers, and preschool children. We would not create a new program but would simply increase resources for the successful Child Care