

(2) under a treaty between an Indian tribe and the United States.

(c) CERTAIN SEX-BASED CLASSIFICATIONS.—This Act does not prohibit or limit any classification based on sex if—

(1) the classification is applied with respect to employment and the classification would be exempt from the prohibitions of title VII of the Civil Rights Act of 1964 by reason of section 703(e)(1) of such Act (42 U.S.C. 2000e-2(e)(1)); or

(2) the classification is applied with respect to a member of the Armed Forces pursuant to statute, direction of the President or Secretary of Defense, or Department of Defense policy.

(d) IMMIGRATION AND NATIONALITY LAWS.—This Act does not affect any law governing immigration or nationality, or the administration of any such law.

SEC. 6. COMPLIANCE REVIEW OF POLICIES AND REGULATIONS.

Not later than 1 year after the date of enactment of this Act, the head of each department or agency of the Federal Government, in consultation with the Attorney General, shall review all existing policies and regulations that such department or agency head is charged with administering, modify such policies and regulations to conform to the requirements of this Act, and report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate the results of the review and any modifications to the policies and regulations.

SEC. 7. REMEDIES.

(a) IN GENERAL.—Any person aggrieved by a violation of section 3 may, in a civil action, obtain appropriate relief (which may include back pay). A prevailing plaintiff in a civil action under this section shall be awarded a reasonable attorney's fee as part of the costs.

(b) CONSTRUCTION.—This section does not affect any remedy available under any other law.

SEC. 8. EFFECT ON PENDING MATTERS.

(a) PENDING CASES.—This Act does not affect any case pending on the date of enactment of this Act.

(b) PENDING CONTRACTS AND SUBCONTRACTS.—This Act does not affect any contract or subcontract in effect on the date of enactment of this Act, including any option exercised under such contract or subcontract before or after such date of enactment.

SEC. 9. DEFINITIONS.

In this Act, the following definitions apply:

(1) FEDERAL GOVERNMENT.—The term "Federal Government" means executive and legislative branches of the Government of the United States.

(2) PREFERENCE.—The term "preference" means an advantage of any kind, and includes a quota, set-aside, numerical goal, timetable, or other numerical objective.

(3) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term "historically Black college or university" means a part B institution, as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

THE BALANCED BUDGET ACT OF 1997

ROTH (AND MOYNIHAN) AMENDMENT NO. 434

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill, S. 947, *supra*; as follows:

Strike section 5542 and insert the following:

SEC. 5542. INCOME-RELATED REDUCTION IN MEDICARE SUBSIDY.

(a) IN GENERAL.—Section 1839 (42 U.S.C. 1395r) is amended by adding at the end the following:

"(h)(1) Notwithstanding the previous subsections of this section, in the case of an individual whose modified adjusted gross income for a taxable year ending with or within a calendar year (as initially determined by the Secretary in accordance with paragraph (3)) exceeds the threshold amount described in paragraph (5)(B), the Secretary shall increase the amount of the monthly premium for months in the calendar year by an amount equal to the difference between—

"(A) 200 percent of the monthly actuarial rate for enrollees age 65 and over as determined under subsection (a)(1) for that calendar year; and

"(B) the total of the monthly premiums paid by the individual under this section (determined without regard to subsection (b)) during such calendar year.

"(2) In the case of an individual described in paragraph (1) whose modified adjusted gross income exceeds the threshold amount by less than \$50,000, the amount of the increase in the monthly premium applicable under paragraph (1) shall be an amount which bears the same ratio to the amount of the increase described in paragraph (1) (determined without regard to this paragraph) as such excess bears to \$50,000.

"(3) The Secretary shall make an initial determination of the amount of an individual's modified adjusted gross income for a taxable year ending with or within a calendar year for purposes of this subsection as follows:

"(A) Not later than September 1 of the year preceding the year, the Secretary shall provide notice to each individual whom the Secretary finds (on the basis of the individual's actual modified adjusted gross income for the most recent taxable year for which such information is available or other information provided to the Secretary by the Secretary of the Treasury) will be subject to an increase under this subsection that the individual will be subject to such an increase, and shall include in such notice the Secretary's estimate of the individual's modified adjusted gross income for the year.

"(B) If, during the 30-day period beginning on the date notice is provided to an individual under subparagraph (A), the individual provides the Secretary with information on the individual's anticipated modified adjusted gross income for the year, the amount initially determined by the Secretary under this paragraph with respect to the individual shall be based on the information provided by the individual.

"(C) If an individual does not provide the Secretary with information under subparagraph (B), the amount initially determined by the Secretary under this paragraph with respect to the individual shall be the amount included in the notice provided to the individual under subparagraph (A).

"(4)(A) If the Secretary determines (on the basis of final information provided by the Secretary of the Treasury) that the amount of an individual's actual modified adjusted gross income for a taxable year ending with or within a calendar year is less than or greater than the amount initially determined by the Secretary under paragraph (3), the Secretary shall increase or decrease the amount of the individual's monthly premium under this section (as the case may be) for months during the following calendar year by an amount equal to $\frac{1}{2}$ of the difference between—

"(i) the total amount of all monthly premiums paid by the individual under this section during the previous calendar year; and

"(ii) the total amount of all such premiums which would have been paid by the individual during the previous calendar year if the amount of the individual's modified adjusted gross income initially determined under paragraph (3) were equal to the actual amount of the individual's modified adjusted gross income determined under this paragraph.

"(B)(i) In the case of an individual for whom the amount initially determined by the Secretary under paragraph (3) is based on information provided by the individual under subparagraph (B) of such paragraph, if the Secretary determines under subparagraph (A) that the amount of the individual's actual modified adjusted gross income for a taxable year is greater than the amount initially determined under paragraph (3), the Secretary shall increase the amount otherwise determined for the year under subparagraph (A) by interest in an amount equal to the sum of the amounts determined under clause (ii) for each of the months described in clause (ii).

"(ii) Interest shall be computed for any month in an amount determined by applying the underpayment rate established under section 6621 of the Internal Revenue Code of 1986 (compounded daily) to any portion of the difference between the amount initially determined under paragraph (3) and the amount determined under subparagraph (A) for the period beginning on the first day of the month beginning after the individual provided information to the Secretary under subparagraph (B) of paragraph (3) and ending 30 days before the first month for which the individual's monthly premium is increased under this paragraph.

"(iii) Interest shall not be imposed under this subparagraph if the amount of the individual's modified adjusted gross income provided by the individual under subparagraph (B) of paragraph (3) was not less than the individual's modified adjusted gross income determined on the basis of information shown on the return of tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the taxable year involved.

"(C) In the case of an individual who is not enrolled under this part for any calendar year for which the individual's monthly premium under this section for months during the year would be increased pursuant to subparagraph (A) if the individual were enrolled under this part for the year, the Secretary may take such steps as the Secretary considers appropriate to recover from the individual the total amount by which the individual's monthly premium for months during the year would have been increased under subparagraph (A) if the individual were enrolled under this part for the year.

"(D) In the case of a deceased individual for whom the amount of the monthly premium under this section for months in a year would have been decreased pursuant to subparagraph (A) if the individual were not deceased, the Secretary shall make a payment to the individual's surviving spouse (or, in the case of an individual who does not have a surviving spouse, to the individual's estate) in an amount equal to the difference between—

"(i) the total amount by which the individual's premium would have been decreased for all months during the year pursuant to subparagraph (A); and

"(ii) the amount (if any) by which the individual's premium was decreased for months during the year pursuant to subparagraph (A).

"(5) In this subsection, the following definitions apply:

"(A) The term 'modified adjusted gross income' means adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)—

"(i) determined without regard to sections 135, 911, 931, and 933 of such Code, and

"(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax under such Code.

"(B) The term 'threshold amount' means—

"(i) except as otherwise provided in this paragraph, \$50,000,

"(ii) \$75,000, in the case of a joint return (as defined in section 7701(a)(38) of such Code), and

"(iii) zero in the case of a taxpayer who—

"(I) is married at the close of the taxable year but does not file a joint return (as so defined) for such year, and

"(II) does not live apart from his spouse at all times during the taxable year.

"(6)(A) The Secretary shall transfer amounts received pursuant to this subsection to the Federal Hospital Insurance Trust Fund.

"(B) In applying section 1844(a), amounts attributable to clause (i) shall not be counted in determining the dollar amount of the premium per enrollee under paragraph (1)(A) or (1)(B)."

(b) CONFORMING AMENDMENTS.—(1) Section 1839 (42 U.S.C. 1395r) is amended—

(A) in subsection (a)(2), by inserting "or section subsection (h)" after "subsections (b) and (e)";

(B) in subsection (a)(3) of section 1839(a), by inserting "or subsection (h)" after "subsection (e)";

(C) in subsection (b), inserting "(and as increased under subsection (h))" after "subsection (a) or (e)"; and

(D) in subsection (f), by striking "if an individual" and inserting the following: "if an individual (other than an individual subject to an increase in the monthly premium under this section pursuant to subsection (h))".

(2) Section 1840(c) (42 U.S.C. 1395r(c)) is amended by inserting "or an individual determines that the estimate of modified adjusted gross income used in determining whether the individual is subject to an increase in the monthly premium under section 1839 pursuant to subsection (h) of such section (or in determining the amount of such increase) is too low and results in a portion of the premium not being deducted," before "he may".

(c) REPORTING REQUIREMENTS FOR SECRETARY OF THE TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end the following new paragraph:

"(16) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME-RELATED REDUCTION IN MEDICARE PART B PREMIUM.—

"(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Health and Human Services, disclose to officers and employees of the Health Care Financing Administration return information with respect to a taxpayer who is required to pay a monthly premium under section 1839 of the Social Security Act. Such return information shall be limited to—

"(i) taxpayer identity information with respect to such taxpayer,

"(ii) the filing status of such taxpayer,

"(iii) the adjusted gross income of such taxpayer,

"(iv) the amounts excluded from such taxpayer's gross income under sections 135 and 911,

"(v) the interest received or accrued during the taxable year which is exempt from the tax imposed by chapter 1 to the extent such information is available, and

"(vi) the amounts excluded from such taxpayer's gross income by sections 931 and 932 to the extent such information is available.

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Health Care Financing Administration only for the purposes of, and to the extent necessary in, establishing the appropriate monthly premium under section 1839 of the Social Security Act."

(2) CONFORMING AMENDMENT.—Paragraphs (3)(A) and (4) of section 6103(p) of such Code are each amended by striking "or (15)" each place it appears and inserting "(15), or (16)".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to the monthly premium under section 1839 of the Social Security Act for months beginning with January 1998.

(2) INFORMATION FOR PRIOR YEARS.—The Secretary of Health and Human Services may request information under section 6013(l)(16) of the Social Security Act (as added by subsection (c)) for taxable years beginning after December 31, 1994.

SEC. 5543. DEMONSTRATION PROJECT ON INCOME-RELATED PART B DEDUCTIBLE.

(a) ESTABLISHMENT OF PROJECT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Health and Human Services (in this section referred to as the "Secretary") shall conduct a demonstration project (in this section referred to as the "project") in which individuals otherwise responsible for an income-related premium by reason of section 1839(h) of the Social Security Act (42 U.S.C. 1395r(h)) (as added by section 5542 of this Act) would instead be responsible for an income-related deductible using the same income limits and administrative procedures provided for in such section 1839(h).

(2) SITES.—The Secretary shall conduct the project in a representative number of sites and shall include a sufficient number of individuals in the project to ensure that the project produces statistically satisfactory findings.

(3) PARTICIPATION.—

(A) IN GENERAL.—Participation in the project shall be on a voluntary basis.

(B) MEDIGAP.—No individual shall be eligible to participate in the project if such individual is covered under a medicare supplemental policy under section 1882 of the Social Security Act (42 U.S.C. 1395ss).

(4) CONSULTATION.—In conducting the project, the Secretary shall consult with appropriate organizations and experts.

(5) DURATION.—The project shall be conducted for a period not to exceed 5 years.

(b) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of titles XI, XVIII, and XIX of the Social Security Act (42 U.S.C. 1301 et seq., 1395 et seq., 1396 et seq.) to such extent and for such period as the Secretary determines is necessary to conduct the project.

(c) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than 2 and 5 years after the date of enactment of this Act, and biannually thereafter, the Secretary shall submit to Congress a report regarding the project.

(2) CONTENTS OF REPORT.—The reports in paragraph (1) shall include the following:

(A) A description of the demonstration projects conducted under this section.

(B) A description of the utilization and health care status of individuals participating in the project.

(C) Any other information regarding the project that the Secretary determines to be appropriate.

SEC. 5544. LOW-INCOME MEDICARE BENEFICIARY BLOCK GRANT PROGRAM.

(a) IN GENERAL.—Title XVIII (42 U.S.C. 1395 et seq.), as amended by section 5047, is amended by adding at the end the following:

"LOW-INCOME MEDICARE BENEFICIARY BLOCK GRANT PROGRAM

"SEC. 1898. (a) ESTABLISHMENT.—The Secretary shall establish a program to award block grants to States for the payment of medicare cost sharing described in section 1905(p)(3)(A)(ii) on behalf of eligible low-income medicare beneficiaries.

"(b) APPLICATION.—To be eligible to receive a block grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(c) PAYMENTS.—

"(1) AMOUNT OF GRANT.—From amounts appropriated under subsection (d) for a fiscal year, the Secretary shall award a grant to each State with an application approved under subsection (b), in an amount that bears the same ratio to such amounts as the total number of eligible low-income medicare beneficiaries in the State bears to the total number of eligible low-income medicare beneficiaries in all States.

"(2) 100 PERCENT FMAP.—Notwithstanding section 1905(b), the Federal medical assistance percentage for any State that receives a grant under this section shall be 100 percent.

"(d) APPROPRIATIONS.—

"(1) IN GENERAL.—The Secretary is authorized to transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 for the purpose of carrying out this section, an amount equal to \$200 million in FY 1998, \$250 million in FY 1999, \$300 million in FY 2000, \$350 million in FY 2001, and \$400 million in FY 2002, to remain available without fiscal year limitation.

"(2) STATE ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to States of amounts provided in accordance with the provisions of this section.

"(e) DEFINITIONS.—In this section:

"(1) ELIGIBLE LOW-INCOME MEDICARE BENEFICIARY.—The term 'eligible low-income medicare beneficiary' means an individual who is described in 1902(a)(10)(E)(iii) but whose family income is greater than or equal to 120 percent of the poverty line and does not exceed 150 percent of the poverty line for a family of the size involved.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands."

HUTCHINSON AMENDMENTS NOS. 435-439

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted five amendments intended to be proposed by him to the bill, S. 947, supra; as follows:

AMENDMENT No. 435

On page 889, line 1, strike "90" and insert "50".

AMENDMENT No. 436

On page 888, strike line 23 and insert the following:

"(VI) Work experience and community service programs, including the costs of administration and operation of such programs and benefits provided to participants.

“(VII) Self-Sufficiency First programs or other programs designed to reduce dependence by reducing the number of future entrants into the Temporary Assistance to Needy Families program.

“(ii) REQUIRED BENEFICIARIES.—Except with regard to funds expended on activities described in subclauses (VI) and (VII) of clause (i), an”.

AMENDMENT NO. 437

On page 947, between lines 2 and 3, insert the following:

(n) ADJUSTING THE MATCHING REQUIREMENT.—Section 409(a)(7)(B)(ii) (42 U.S.C. 609(a)(7)(B)(ii)) is amended by—

- (1) striking “80” and inserting “70”; and
- (2) striking “75” and inserting “65”.

AMENDMENT NO. 438

Beginning on page 929, strike line 20 and all that follows through line 14, page 930 and insert the following:

(k) CLARIFICATION OF NUMBER OF INDIVIDUALS COUNTED AS PARTICIPATING IN WORK ACTIVITIES.—Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended—

- (1) by striking subparagraph (C); and
- (2) in subparagraph (D)—

(A) in the heading, by striking “OR BEING A TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE”; and

(B) by striking “or deemed to be engaged in work by reason of subparagraph (C) of this paragraph”.

AMENDMENT NO. 439

Beginning on page 929, strike line 20 and all that follows through page 930, line 14 and insert the following:

(i) CLARIFICATION OF NUMBER OF INDIVIDUALS COUNTED AS PARTICIPATING IN WORK ACTIVITIES.—Section 407 (42 U.S.C. 607) is amended—

- (1) in subsection (c)—

(A) in paragraph (1)(A), by striking “(8)”; and

- (B) in paragraph (2)(D)—

(i) in the heading, by striking “PARTICIPATION IN VOCATIONAL EDUCATION ACTIVITIES”; and

(ii) by striking “determined to be engaged in work in the State for a month by reason of participation in vocational educational training or”; and

- (2) by striking subsection (d)(8).

KENNEDY (AND MIKULSKI)

AMENDMENT NO. 440

Mr. KENNEDY (for himself and Ms. MIKULSKI) proposed an amendment to the bill, S. 947, supra; as follows:

On page 1047, between lines 5 and 6, insert the following:

SEC. 6004. MEDICARE MEANS TESTING STANDARD APPLICABLE TO SENATORS' HEALTH COVERAGE UNDER THE FEHBP.

(a) PURPOSE.—The purpose of this section is to apply the Medicare means testing requirements for part B premiums to individuals with adjusted gross incomes in excess of \$100,000 as enacted under section 5542 of this Act, to United States Senators with respect to their employee contributions under the Federal Employees Health Benefits Program.

(b) IN GENERAL.—Section 8906 of title 5, United States Code, is amended by adding at the end the following:

“(j) Notwithstanding any other provision of this section, each employee who is a Senator and is paid at an annual rate of pay exceeding \$100,000 shall pay the employee contribution and the full amount of the Government contribution which applies under this

section. The Secretary of the Senate shall deduct and withhold the contributions required under this section and deposit such contributions in the Employees Health Benefits Fund.”.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first pay period beginning on or after the date of enactment of this Act.

GRASSLEY AMENDMENT NO. 441

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill, S. 947, supra; as follows:

On page 689, between lines 2 and 3, insert the following:

“(iii) RELIGIOUS CHOICE.—The State, in permitting an individual to choose a managed care entity under clause (i) shall permit the individual to have access to appropriate faith-based facilities. With respect to such access, the State shall permit an individual to select a facility that is not a part of the network of the managed care entity if such network does not provide access to appropriate faith-based facilities. A faith-based facility that provides care under this clause shall accept the terms and conditions offered by the managed care entity to other providers in the network.

THE CHINA SANCTIONS AND HUMAN RIGHTS ADVANCEMENT ACT

COVERDELL (AND ABRAHAM)

AMENDMENT NO. 442

(Ordered referred to the Committee on Foreign Relations.)

Mr. COVERDELL (for himself and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 810, to impose certain sanctions on the People's Republic of China, and for other purposes; as follows:

On page 18, below line 2, add the following:

SEC. 8. TRANSFERS OF SENSITIVE EQUIPMENT AND TECHNOLOGY BY THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—Congress makes the following findings:

(1) Credible allegations exist that the People's Republic of China has transferred equipment and technology as follows:

(A) Gyroscopes, accelerometers, and test equipment for missiles to Iran.

(B) Chemical weapons equipment and technology to Iran.

(C) Missile guidance systems and computerized machine tools to Iran.

(D) Industrial furnace equipment and high technology diagnostic equipment to a nuclear facility in Pakistan.

(E) Blueprints and equipment to manufacture M-11 missiles to Pakistan.

(F) M-11 missiles and components to Pakistan.

(2) The Department of State has failed to determine whether most such transfers violate provisions of relevant United States and Executive orders relating to the proliferation of sensitive equipment and technology, including the Arms Export Control Act, the Nuclear Proliferation Prevention Act of 1994, the Export Administration Act of 1979, the Export-Import Bank Act of 1945, and the Iran-Iraq Arms Non-Proliferation Act of 1992, and Executive Order 12938.

(3) Where the Department of State has made such determinations, it has imposed the least onerous form of sanction, which significantly weakens the intended deterrent effect of the sanctions provided for in such laws.

(4) The Clinton Administration decided not to impose sanctions on the People's Republic of China for its transfer of C-802 anti-ship cruise missiles to Iran, finding that the transfer was not “destabilizing”.

(5) That finding is contrary to the judgment of the commander of the United States Fifth Fleet, elements of which are frequently deployed in and around the Persian Gulf.

(6) Despite the fact that officials of the People's Republic of China were responsible for the sale to Pakistan of specialized ring magnets, which are used to enrich uranium for use in nuclear weapons, the Clinton Administration did not impose sanctions on either the People's Republic of China or Pakistan for such sale, even though sanctions are required for such sale under law.

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

(1) the transfers of equipment and technology by the People's Republic of China described in subsection (a)(1) pose a threat to the national security interests of the United States;

(2) the failure of the Clinton Administration to initiate a formal process to determine whether to impose sanctions for such transfers under United States laws intended to halt the proliferation of sensitive equipment and technology contributes to the threat posed to the national security interests of the United States by the proliferation of such equipment and technology; and

(3) the President should immediately initiate the procedures necessary to determine whether sanctions should be imposed under United States law for such transfers.

(c) REPORT.—Not later than 60 days after the date of enactment of this Act, the President shall submit to Congress a report, in both classified and unclassified form, setting forth—

(1) the date, if any, of the commencement and of the conclusion of each formal process conducted by the Department of State to determine whether to impose sanctions for each transfer described in subsection (a)(1);

(2) the facts providing the basis for each determination not to impose sanctions on the Government of the People's Republic of China, or entities within or having a relationship with that government, for each transfer, and the legal analysis supporting such determinations; and

(3) a schedule for initiating a formal process described in paragraph (1) for each transfer not yet addressed by such formal process and an explanation for the failure to commence such formal process with respect to such transfer before the date of the report.

THE BALANCED BUDGET ACT OF 1997

JEFFORDS AMENDMENT NO. 443

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 947, supra; as follows:

At the end of section 1839(h) of the Social Security Act, as added by section 5542(a) of the bill, strike the end quotation marks and insert the following:

“(7) UPDATE.—The Secretary shall adjust annually (after 1998) the dollar amount set forth—

“(A) in paragraph (5)(B)(i) under procedures providing for adjustments in the same